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HOW THE PUBLIC IS MISLED BY REFERENCE TO 80% PROFIT IN THE BACON PROBE REPORT

"Investment" Used as Basis of Profit Does Not Include Bond Issue Loans or Other Assets.

WAR PROFITS TAX WAS NOT CONSIDERED

Reference to the Tax But No Deduction Made—Analysis of figures Shows That Davies Company Made Only 3.7 Per Cent. On Sales Over Period of Four Years—Money Was Made By Great Volume of Business Done.

IN view of the fact that the inquiry into the affairs and operations of the William Davies Company and other Canadian packing concerns was evidently staged for its effect upon the public mind, it is hardly a matter for surprise that in the manner in which the conclusions of the commission have been made public there has been an effort to distort the actual facts for presentation to the people just as there was in the reports on the inquiry itself and the charges which led up to it.

The whole attention of the public is directed to the fact that, according to the report, the Davies Company in the year 1916 made profits on its "investment" of 80 per cent. The average reader sees little but what is in the average newspaper headline. He is led to believe that he is paying 80 per cent. profit on his bacon. This was brought home to THE FINANCIAL POST this week by a man with more than average business ability making the statement that this 80 per cent. meant that if he paid 52 cents a pound for bacon, the Davies Company paid 30 cents to the farmer and took the difference. This impression is no doubt a general one. Let us look into the actual facts as revealed by the inquiry.

Taking the year 1916 in which the Davies Company made its biggest profits, we find that these profits were $1,335,454. The rate on the capital—as decided by the commission—was 80 per cent. before the payment of war taxes. But the public has little to do with capital. It is concerned with profit per pound of bacon—with the margin on turnover. On this basis we quote from the report:—

"For the fiscal year ending March, 1916, sales amounted to $25,135,468, upon which the profits were $1,335,454 or 5.32 per cent."

Furthermore we find from the report that the year 1916 showed abnormal profits as compared with other years. In 1914 the margin was only .14 per cent., or one-tenth of one cent on the dollar of turnover. In 1915 it was 2.87 per cent., and in 1917, 3.99 per cent., or for the four years, an average of 3.7 per cent. on the turnover.

No Allowance for War Profits Tax.

Then, while it is stated that the 80 per cent. was before the deduction of war profits tax, the report is not fair to the company in that there is nothing to indicate what these profits amount to.

The Business Profits War Tax of 1916 provided a tax of 25 per cent. of the amount by which the profits of any business exceeded the rate of 7 per cent. upon the capital employed. The amendments to this tax passed in 1917 provided that profits from 15 to 20 per cent. be taxed at the rate of 50 per cent. and above 20 per cent. at the rate of 75 per cent.

It is not difficult to see that when war taxes are deducted on the basis indicated there is nothing like the profits indicated accruing to the company.

Then as to Investment.

Another point is with regard to the investment. The commission puts this in 1916 at $1,744,251, but there is no indication of how this figure was reached. It is probably taken to mean net paid up capital, which by no means indicates the money involved.

In round figures the Davies Company has a paid up capital of $2,000,000. Bonds outstanding amount to $2,000,000. Further we understand that the average requirements from the bank would run $4,000,000. Now with another concern it would be quite possible to operate altogether on capital of $8,000,000 without bond indebtedness or without bank loans. Then, according to the basis of the report, the percentage of profit on investment would obviously be cut down by three-quarters.

In other words it would appear that had the Davies Company operated altogether on paid up capital the profits in 1916 would have been on the basis of 20 per cent.—without allowing for war profits. And here is the further point that if the capital had been larger the war profits taxes which went to the national coffers would have been much lower.

The argument may be used that allowance was made for bank interest. But the fact remains that when a company borrows, say, $4,000,000, it must put up something more than its promise to pay. We contend that there should be recognition given at least for that credit which the company must place behind its borrowings and which is not merely represented by the payment of certain interest.

A Business-like Statement.

For public effect this phrase of "eighty per cent." has been seized upon and is being made wide use of. This is evidently for political effect. The Davies Company was condemned in the public mind, no matter what the result of the inquiry might be, by the way in which the agitation had been handled. It was necessary to make things look as bad as possible.

As a matter of fact there was nothing revealed in the inquiry or in the report upon which there could be the least criticism from a business standpoint, unless it was in connection with the minimum protection and that has been shown to have been a concession granted by the British Government to induce the company to take unusual risks. THE FINANCIAL POST finds in the report justification for the stand it has taken throughout. The company is one of those successful concerns which operated efficiently on a small capital. It took advantage of an abnormal demand to increase its volume of output and the profits rose because it was able to handle this increased output without an accompanying increase in overhead charges.

The Davies Company received the benefit of big business—not big profits.

WHY WAS COWDRAY KICKED OUT?

SOME of our pin-headed but noisy newspapers are condemning Lloyd George for his lack of courtesy in not first telling Lord Cowdray that he had offered his job as Air Minister to Northcliffe; and they condemn the latter for not giving his services to the nation by accepting the cabinet office.

It does not require much insight to read between the lines that something very serious must have happened—something apparently not very favorable to the late Air Minister. Northcliffe's letter was evidently written and published after consultation with the Prime Minister. The later cables indicate that. But they are strangely silent on the Cowdray resignation. The inference is that he was kicked out. For some weeks before the Northcliffe letter appeared there were rumors about him in Washington and London. The question was anxiously asked—would he remain in office?

The reasons why he was so publicly snubbed should be made known, in the interests of America as well as Canada. If he is guilty of any offence, as the extraordinary action of the Prime Minister would suggest, we should know, and punishment should follow, even if it be only the punishment of exposure. If not guilty, such treatment of one of the wealthiest, most astute, self-made men in the Empire should not be permitted—a man who was giving his services free to the nation—a man who has large interests in shipping, oil, and mining on this side, particularly in Mexico and South America.

HAY FOR U. S. ARMY.

Pressing Plant at Montreal Turning Out Many Bales.

It is not only munitions that the United States Government is contracting for in Canada. Some time ago a hundred thousand dollar pressing plant, one of the best, if not the best, on the continent, was installed in Montreal to bale Canadian hay for the British Army. On account of lack of transportation facilities for such bulky freight, the British authorities cut off their purchases and the big Montreal plant ceased operations. More recently the Canadian authorities made a proposition to the United States that the plant should be used at cost in baling hay to be bought in Canada for the use of the American army. The offer was accepted and as a result four to five hundred tons daily are being handled in the plant at a price of $17 a ton at Montreal. So far most of this hay has been shipped by water to Newport News, the return cargo being coal.

VICTORY LOAN CROSSES THE HALF-WAY MARK

Incomplete Returns Up to Thursday Night Show Grand Total of $153,000,000.

Returns up to Thursday night, which are incomplete except for Ontario, Quebec (outside Montreal), and Saskatchewan, indicate a grand total of Victory Loan subscriptions of $153,711,000, or over half the objective. Allowing for the incomplete figures, an aggregate of possibly $175,000,000 for ten of the eighteen campaign days is in sight. This is a good showing and makes it possible, if the same rate is maintained for the balance of the time, to reach the $300,000,000 mark by next Saturday night.

Ontario (to Nov. 22)	$ 83,900,100
Quebec (to Nov. 22)	4,662,600
Montreal (to Nov. 20)	21,937,150
Manitoba (to Nov. 21)	12,293,150
Saskatchewan (to Nov. 22)	6,701,150
S. Alberta (to Nov. 21)	4,475,500
N. Alberta (to Nov. 21)	2,041,200
Brit. Columbia (to Nov. 20)	5,999,000
Nova Scotia (to Nov. 20)	7,034,600
New Brunswick (to Nov. 21)	3,808,700
Prince Edward I. (to Nov. 21)	862,650
Total	$153,711,000

To get the $300,000,000, however, it will require all kinds of hard work, and every nerve will have to be strained to bring about the desired result.

Further particulars about the progress of the campaign will be found on page 12.

THE FINANCIAL POST'S Montreal office reports that the total for Quebec province, including Montreal,—Friday, 3 p.m.,—is $37,387,250 and in addition the Premier of Quebec has wired a subscription of $1,000,000 for the province.

MINERS WANT INCREASE.

Trouble Evidently Brewing in Maritime Coal Fields.

Press despatches announce that the Amalgamated Mine Workers of Nova Scotia have made a demand of from thirty to fifty per cent. wage increase to take effect at the end of the present year. This has a direct bearing upon the operations of the big coal companies of the Maritimes.

The miners have served notice on the operators in the Sydney district that the agreement now in force will terminate at the end of the year. This agreement was based upon the recommendations and findings of the Royal Commission that sat in May last, and provided that the agreement should continue in force from year to year unless notice were given of termination of the arrangement two months before the expiration of any calendar year.

ON ITS WAY TO NOTHING.

Value of German Mark in Holland Now 10½ Cents.

Cable advices received from Europe recently by Wall Street bankers were to the effect that the exchange value of the German mark in the Dutch and Swiss markets has fallen lately to the equivalent of about 10½ cents. When German exchange was last traded in on the New York market last March four marks were quoted at 69½ cents, or about 17 cents a mark. The mint valuation of one German mark is 23.8 cents. The depreciation in the exchange value at the quotations reported in the Dutch and Swiss markets amounts to about 56 per cent.

BANK DEPOSITS INCREASE AGAIN IN SEPTEMBER

October Statement Indicates Preparation For War Loan.

THE BUSINESS OUTLOOK

More Shell Orders Being Placed in Washington—Continued Prosperity Assured, But People Must Be Thrifty.

The monthly bank statement—for October—was issued Friday, at Ottawa, and a wired summary to THE FINANCIAL POST indicates a further heavy increase in both demand and notice deposits, while current loans in Canada show a large increase and current loans outside the country a small increase as compared with September. Total assets also show a considerable increase. Following are comparative figures of September and October.

	Oct., 1917	Sept., 1917
Reserve Fund	$113,518,213	$113,517,153
Note Circulation	189,852,907	177,589,268
Demand Deposits	495,058,449	451,749,532
Notice Deposits	985,790,850	966,393,541
Dep. Outside of Canada	181,799,457	180,535,043
Current Coin	74,950,907	69,848,795
Dominion Notes	137,650,486	121,691,837
Gold Reserve	80,770,000	64,870,000
Call Loans in Canada	71,653,719	72,421,187
Call Loa's O'ts'de	151,018,747	166,480,004
Current Loans in Canada	883,986,860	855,306,953
Curr. Loans Out	93,821,865	87,265,325
Total Liabilities	1,995,488,918	1,876,390,291
Total Assets	2,244,878,054	2,126,571,342

The increase in deposits may be taken as an indication of the concentration of funds for the benefit of the Victory Loan. The total of savings deposits now reached, $985,790,000, compares with about $650,000,000 at the outbreak of the war and shows an increase of nearly $20,000,000 over September. This increase in current loans is about $28,000,000 for the month. The details are not sufficient for detailed analysis, but the increase in deposits is comforting as indicating that the obligation can be met without crippling our resources.

U.S. War Orders.

THE FINANCIAL POST learns that further shell orders are being distributed in the United States and that a share of these will probably come to Canada. However, it is intimated that business for this country is only secured on the basis of close competition with American manufacturers who are naturally anxious to keep as much as possible of the business in their own country.

The Business Outlook.

So far as the general business and investment situation is concerned there is little evidence of change, and attention for the time being is almost altogether centred on the Victory Loan campaign. The outlook continues for prosperity in this country so long as war demand for manufactured and natural products continues, but it is also more and more evident that in order to maintain this prosperity we must finance our own part in the war and at the same time extend credit to Great Britain for herself and allies. This will mean succeeding loans while the war lasts and the necessity for thrift on the part of the people in order that they may be absorbed.

So far as outside influences are concerned the outlook is that instead of being a factor for depression, as it was a year or so ago, peace talk—or indications of the approaching close of the war—will be received as a factor for buoyancy in the investment situation where the outlook for a long war now appears as chiefly responsible for the depression. This depression has no doubt largely, if not fully, discounted after-war adjustments and has seemingly for the time being overlooked the strong position into which industrial companies are placing themselves as the result of the present activity.

Approximately 30%, or 5,000, of the entire working force of the Pennsylvania lines east of Pittsburgh are women, as compared with 1,945 on June 1. They are working at everything from train dispatching to section work.

MOUNT ROYAL MILLING.

Reorganization of Montreal Company Under New Charter.

A reorganization is taking place of the Mount Royal Milling and Mfg. Company of Montreal, by which a new charter has been granted and the old company taken over. The original capitalization was $300,000, with $246,000 paid up. The capital now authorized is $1,000,000. THE FINANCIAL POST is informed that there will be no change in management, and that none of the new stock will be offered for sale. The company deals in the milling of rice, and has a large trade.

The new regulations governing the sale of cereals in packages is likely to check any development that was contemplated, as the chief package sold by this company is of 12½ lbs., and so far no word has been received as to whether they will be allowed to continue manufacturing anything less than a 20-lb. package.

A CANADIAN HOME INVESTMENT DIVIDEND

Liquidator To Make Declaration On Ten to Fifty-eight Per Cent. Basis.

Special to The Financial Post.

VANCOUVER.—Readers of THE FINANCIAL POST will doubtless remember the liquidation affairs of the Canadian Home Investment Company, whose ramifications extended from coast to coast, having agencies and collectors in most of the cities in the provinces in which they were permitted to operate. The company did a big business in home loan contracts during the boom of 1912-13. There were also offices in several of the States. The first blow hit the company when Federal officers, after an examination into the manner in which the affairs of the company were conducted, and the particular system on which the company worked, forbade the use of the mails for the distribution of the company's literature.

Events then transpired with such rapidity that the company was forced to go into liquidation, and J. G. Forrester of Vancouver was appointed liquidator. According to a statement issued by Mr. Forrester, that official will shortly make an application to the court for permission to issue a dividend ranging from ten to fifty-eight per cent. on forty-six out of the ninety-three series of contract holders. He states further that within the next year he will endeavor to make a further dividend on the balance of the claims. The liquidator recently paid $12,000 to the contract holders in Nova Scotia where the claims had been secured by a deposit of $25,000 to the provincial government which the company paid when opening its office in that province.

U. S. FOREIGN TRADE.

Measuring the Effect of Three Years of War.

The effects of three years of war upon the manufacturing industries of the United States can now be measured, in some degree at least, by certain official data which render possible the comparison of conditions in 1917 with those of 1914. An analysis by the National City Bank of New York of figures of export of manufactures compared with those of 1914 indicates a wonderful development in the exports and evidently a large growth in the manufacturing industries of the country in that short period. Manufactures exported in the nine months of 1917, for which figures are now available, are more than four times as great in value as in the same months of 1914. Finished manufactures ready for consumption exported in the nine months ending with September, 1917, amount to $2,063,000,000 against $466,000,000 in the same months of 1914. Manufactures for the use in manufacturing are $957,000,000 against $262,000,000 in the corresponding months of 1914. Thus the total of manufactures exported in nine months of 1917 is $3,020,000,000 against $728,000,000 in the same months of 1914.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Maple Leaf	101	101
Mackay	72½	72½
Do., pref.	60	60
Monarch Knit	30	30
Union Bank	136	136
War Loan (1937)	93½	93½
Do., (1925)	95⅛	95⅛
Do., (1931)	94⅝	94⅝

FARMERS WANT CONSCRIPTION TO PRODUCE FOOD

A Four Per Cent. Decline in Winter Wheat Prospects.

U.S. HAY BUYERS IN CANADA

Sugar Beet Acreage Less—Hay in Canada Goes Up in Price—Bonds Selling Well in Some Rural Parts.

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

The weekly report of agricultural conditions issued by the Ontario Government says that labor conditions on the farm are disturbed by the operations of the Military Service Act. That is a very mild intimation of the real conditions. Meeting after meeting of farmers has been held throughout the countryside, at which the methods employed by exemption boards have been severely criticized. Indeed, independent reports have justified the feeling that has been stirred up. Injustice has been done in many cases. If, as Hoover, of the United States, says, and Lloyd George, of Great Britain, asserts, food and ships are the burning questions of the hour, the greatest patriotism now will address itself intelligently towards these two ends—food production and shipbuilding. And farmers, whose loyalty can not be questioned, feel that conscription should operate to that end.

The last reports of the Census and Statistics Bureau for Canada show a 4 per cent. decline in the fall wheat acreage in Canada owing to the dry fall, scant labor, and late harvest. Besides this, the crop shows a less promising braird to withstand winter conditions. The need for food products in France and Great Britain and Italy is insistent enough to force action to its maximum on this side. It is felt by many that every farm should be operated to its fullest by a selective draft to the farms. To this end every farm-experienced boy should be left there, either on his own farm or on a neighbor's, showing his papers in the new arrangement. No one should be allowed off this allotment or sent to munition factories under the penalty of enlistment at once. We need production as never before, and from present prospects of fall wheat crops, plowing returns, labor shortage, fertilizers and seed requirements there is not going to be over 80 per cent. of this year's returns unless drastic action is taken to protect agricultural operations. Old women, girls, and city youths can not fill the places of the farm-bred boys by anything like 50 per cent. efficiency.

The Hay Shortage.

The United States hay shortage, announced in THE FINANCIAL POST recently, is further evidenced this week by the presence of United States hay buyers in Prince Edward County and other points, picking up the available tonnage. Prices are going up in Canada. The census returns mislead one as to the exact situation. Their total returns and values are generalized and do not take into account the amount of alfalfa that rotted in the fields owing to bad weather, and to the poorer quality of hay that went into the barns owing to various rains and storms. The returns of root and fodder crops, consisting of potatoes, turnips, hay and clover, alfalfa, fodder, corn, and sugar beets in Canada this year show 9,521,500 acres, as compared with 8,843,500 in 1916, the only drop being in sugar beets. The total values of these crops are placed at $267,664,000, as against $246,761,000 in 1916; but as these values go largely into livestock, the returns are not farm currency until the stuff goes in on the hoof. Livestock returns are good and the prospects are bright for spring prices.

The Victory Loan.

Farmers apparently are taking kindly to the idea of the loan, and although it is impossible to tell exactly, the farmers are responding to the country's need. They are being educated to the value of a bond and to the good investment qualities therein. In fact, some of the counties are doing in proportion to their wealth far better than the cities. The fact is the farmer will subscribe wherever the situation is explained fully to him.

Canada's Victory Loan

Is issued in bonds of $50 and upwards, pays over 5½% interest, and is the safest investment in Canada. Patriotism demands that every one shall purchase to the limit of his means.

The Bank of Montreal

at all its branches is prepared to furnish information and assistance to purchasers, particularly those having small sums and who are not accustomed to the purchase of bonds.

Canada's Victory Loan

The Bonds of the above Issue run in denominations of $50.00 and multiples thereof.

Yielding in excess of 5⅛% interest, they provide an absolutely safe and profitable investment and afford, at the same time, an opportunity for the exercise of Patriotism and Duty on the part of purchasers.

This Bank is prepared to receive subscriptions for and to make advances, upon favourable terms, against these Bonds.

The Merchants Bank of Canada

Established in 1836. *Incorporated by Royal Charter in 1840.*

The Bank of British North America

PAID-UP CAPITAL, $4,866,666. RESERVE FUND, $3,017,333.

Statement to the Dominion Government (Condensed)
31st October, 1917.

LIABILITIES TO THE PUBLIC.

Notes in Circulation	$ 6,270,574
Deposits	58,688,908
Other Liabilities	806,998
	$65,766,480

ASSETS.

Cash on Hand and in Banks	$16,051,155
Deposit with Government o/a Note Circulation	245,822
Government, Municipal and other Securities	12,868,715
Call and Short Loans	7,367,455
Current Loans and Discounts and other Assets	36,977,862
Bank Premises	2,362,299
	$75,873,308

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Edward C. Pratt, General Manager

NEWS OF SECURITIES — Markets Very Dull

CHANGES in the Canadian investment situation, as indicated by the stock markets during the week, have been almost negligible, although a better sentiment has been created by outside influences, such as the reflection of the war developments on Wall Street, and also by a better market for Canadian war issues. The exchanges have received very little attention, the professional element having for the time being given their energies to the Victory Loan campaign, and in this connection they have undoubtedly been greatly assisted by the operation of the minimum prices which have provided a check on liquidation.

Students of the situation both in Canada and the United States continue to express the opinion that sentiment and public apprehension have played a part in the present depression and have carried the anticipated readjustment to a level below what is warranted by the actual position of the enterprises whose securities are concerned. Under the circumstances there are attractive propositions in the better investment securities for the investor who has confidence in the future, and even the more speculative issues have their appeal for those who can foresee early improvements in the war situation which may change the attitude of the public. The great conflict continues as a dominant factor in the situation as it has since its outbreak, but there has been a change in that peace prospects would now probably have the opposite effect upon the markets to what rumors of peace had a year or so ago.

J. S. Bache & Co., New York.—Low levels in the price list still furnish remarkable and unusual opportunities for investment. The purchase of such securities with idle funds at this time appears advisable, and investors are urged to disregard the sentiment of pessimism which pervades the markets, to recognize the actual values which exist, and to act accordingly. Liquidation in volume was brought about by consideration of the great responsibilities being undertaken by the nation in the prosecution of a probably long war. Readjustment has been pretty well effected, and in the process prices have declined in some instances far below value.

Hayden, Stone & Co., New York.—The market has afforded basis for the hope and belief that, at this level, unless there are severe adverse developments, there will be sufficient buying power to absorb offerings. It must be kept clearly in mind that the reason for the past year's decline is different from that accountable for any previous bear market. It has not been a question of discounting, or even reflecting severe industrial depression following a boom, as in 1903. While there has been a certain amount of adjustment to new conditions, shops, factories and railroads are, as a whole, quite as fully employed as at the beginning of the slump, and though the margin of profit is somewhat less, it is still very large—larger, indeed, in proportion to prices of shares than ever before, with a prospect that the greater part of the existing profit will continue.

Wells-Fargo Nevada National Bank.—The securities market is undergoing a remarkable period of liquidation. The railroad stocks listed on the New York Stock Exchange have shown a depreciation in the nine months from January 1st to October of $1,400,000,000. Only seven or eight railroad stocks in the list are now quoted above par, whereas when the European war broke out seventeen or eighteen were above that level. The liquidation in the bond market has been similarly depressing. The war revenue law provides for the raising of nearly $850,000,000 through the increased income taxes, while the impost on war profits is expected to yield about one billion dollars more. Efforts to prepare for these increased burdens have probably influenced the unloading of securities, as has also the fact that hundreds of investors have shifted from railroad, municipal and industrial securities to the new war bonds. What is happening here was seen in Great Britain in the early stages of the war.

STEEL

Market a Little Firmer But Prices Still Around the Minimum.

By P. BAIN, M.E.,
Editor Canadian Machinery.

Public interest has been almost entirely centred on the Victory Loan and securities have been neglected. Prices of steel stocks continue at the minimum for the most part although in one or two cases there have been slight advances. Latterly the market has been firmer, reflecting an improvement in the situation in New York, but there has been no corresponding activity here. New contracts for shrapnel have been placed by the Imperial Munitions Board, and it is expected that further orders will be distributed for shrapnel and also 6-inch shells at no distant date. One or two more firms have recently secured orders for 75 mm. shells from the United States Government, but further activity in this direction will likely be limited, unless the present intentions of this government undergo a change. Developments at Washington, however, are being closely followed in view of the possibility of further contracts for munitions and other war material being placed in Canada. It is understood that the United States Government is about to place orders for eight million one pounder shell but it is not yet known if any of this business will come here. An interesting development is the manufacture of airplane engines on a large scale by a Toronto firm.

The latest development in the steel trade is an embargo which has been placed on the exportation of iron and steel from Canada. The exportation of certain forms of steel and iron has been prohibited except under license from the Department of Customs. The embargo is a precautionary measure to conserve resources and will not materially affect the export trade as comparatively little tonnage in the above mentioned materials has been sent abroad. The fact that the exportation of steel has been prohibited proves emphatically that there is a shortage and that there must be strict economy in the use of these metals. There is a report going the rounds that the embargo on steel from the States will be raised owing to the delay occasioned in obtaining shipping permits. In view of the heavy demand in the States for steel, this hardly seems likely as the necessity for conserving supplies for war purposes is paramount. The matter as it stands at present is as follows: The Priority Board will give precedence to requests for steel for munitions and other war supplies, and for shipbuilding. It will then consider the needs of railways and then equipment and farming machinery.

	Close, Nov. 15	Close, Nov. 22	Change
Can. Car	18⅛	18⅛	..
Do., pref.	49½	49½	..
Can. Loco., com.	58	58	..
Do., pref.	85½	85½	..
Gen. Elec.	101½	101½	..
Dom. Bridge	128	128	..
Dom. Iron, pr.	88	88	..
Dom. Steel	53	53¼	+ ¼
N.S. Steel, com.	79½	79½	..
N. Stl. Car, pr.	17	17	..
Stl. of Can. com.	50	49¾	— ¼
Do., pref.	84½	84½	..
Rus. Motor, com.	50	50	..
Ont. Steel, com.	22½	22½	..

DOMINION STEEL.

Dominion Steel has been the most active of the steel stocks, one lot changing hands at 53, an advance of over a point. The level, however, was not maintained and later transactions ranged between 52 and 53. The stock again rallied, closing at 53¼ bid. Plant operations continue satisfactory, no crippling of activities being anticipated through the drafting of employees under the National Service Act.

STEEL OF CANADA.

Steel Co. of Canada issues have been quiet but firmer, the common stock having been slightly above the minimum price all the week, on one occasion selling at 50 but later becoming a little easier. The company have recently turned one of their blast furnaces over to the production of foundry pig iron which hitherto has been producing steel-making iron. This change will materially relieve the shortage of pig iron.

LAKE SUPERIOR CORP.

The statement of the Lake Superior Corportion for the four months ended October 31, shows steel production of 165,477 tons of ingots, against 131,572 for the same period last year. Unfilled orders October 31 were approximately 380,000 tons. Blast furnace production was interrupted through labor troubles at the coke ovens. The steel output generally is gratifying and within recent weeks has shown a considerable and steady improvement.

FOUNDRIES AND FORGINGS.

Although it is only a few weeks since the announcement was made that the Canada Foundries & Forgings Co. had received an order for one million shells from the United States, shipments are already being made in carload lots. The company's plant is occupied night and day, either on munitions work, or the company's regular lines, and as prices are satisfactory all the way round, there is every reason to look forward to a satisfactory financial report for the current year. The common stock is unchanged at 148.

NOVA SCOTIA STEEL.

The Nova Scotia Steel & Coal Co. shares were ex-rights last Tuesday, being the final phase of the new capital issue from the stock exchange standpoint. A stock dividend of 20 per cent. amounting to $2,500,000 has been distributed and will bring the total to $15,000,000 which is the authorized capitalization of the company. A change was made in the minimum price of Nova Scotia Steel on the Stock Exchange, on Tuesday, owing to the stock bonus. The minimum is now 66 instead of 79¼. The stock has been selling at 70 in New York, which is equivalent to 58½ ex-bonus in that market. Quite recently Scotia was bid up to 60 ex-bonus in New York with nothing offered. This is equivalent to 74 before it went ex-bonus. The low price touched in New York last week was 70.

Recent months have shown a material betterment in net profits of Nova Scotia Steel. It is understood that the company is at present earning at the rate of $25 per share on its $15,000,000 common instead of a rate of $20, as established for the first half year. These figures are not for dividends and are after deduction of Canadian taxes. It seems that in October the company's blooming mill was able to roll its steel at a reduction in costs of production of $1.62 per ton compared with September. The blooming mill is now working to capacity and is outputting slightly less than 700 tons daily.

DOMINION BRIDGE CO.

With the recent order for fabricated ship steel and its munitions orders on hand, the Dominion Bridge Co. is understood to have the most valuable order book since war business started three years ago. The 50,000 tons of ship work on hand is part of a total of 45,000 tons monthly for ten months, to be delivered at Philadelphia, Pa.

ALGOMA STEEL CORPORATION.

J. Frater Taylor intimated at Sault Ste Marie on November 22 his retirement from the presidency of the Algoma Steel Corporation at the end of the present year. He will still retain his association with the Soo industries in an advisory capacity as Chairman of the Lake Superior Corporation. It is understood that W. C. Franz will succeed Mr. Taylor in the presidency.

TEXTILES

Sales Very Light at Former Prices—License for Shipping Woolens to States.

By H. H. BLACK.

Sales were again light this week in textile securities. The holding to minimum prices leaves a comparison of the relative strength or weakness of securities difficult to determine.

The importance that Canadian export of knitted and other woolen goods to the United States has assumed was indicated by an official announcement from Ottawa on Thursday of this week that "all applications for licenses from Canada to the United States should be countersigned by Charles Eisman, of the War Industries Board, Washington." This procedure, it is declared, has been adopted with a view of conserving supplies of these goods from Canada for the use of the United States army, navy or the Red Cross.

A cable from London states that the masters have refused a 30 per cent. increase demand on the part of the cotton operators and spinners, offering a 20 per cent. increase by March next, and trouble is possible, and in addition scarcity of raw cotton has enforced a curtailment in the output of English mills starting this week.

Raw cotton has passed the 30-cent mark again and holds very firm.

	Close, Nov. 15	Close, Nov. 22	Change
Can. Cot., com.	49	48½	— ½
Do., pref.	76	76	..
Dom. Tex., com.	80¾	80¾	..
Do., pref.	100	100	..
Mon. Knit., com.	30	30	..
Mon. Cot., pref.	100	100	..
Penmans, com.	65	65	..
Do., pref.	81⅞	81⅞	..

CANADIAN CONVERTERS.

The first half year of Canadian Converters shows a considerable increase in turnover compared with the corresponding period of last year. This should be considered as quite satisfactory when it is considered that in many lines the latter half of 1917 has shown a falling off in sales, due to the greater caution that is being displayed by jobbers and retailers in buying high priced goods. The profits on the half year's business are likely to stand up quite as well as last year. The lines for next fall are in the market and orders so far are quite up to last year's mark.

CANADIAN COTTONS.

What is known in the trade as a "seasonable quietness" describes the case of Canadian Cottons at the present time. The mills have taken about all the orders for Spring that they require, and it will be a short time before next fall's lines are placed on the market. With the raw cotton market holding firm and showing signs of passing into the "thirties," prices on all lines are very firm, and an advance may go into effect again at any time. The year to date shows a greater amount of business than last year, so far as the value is concerned, and it is understood that profits will work out in a way that will be gratifying to the shareholders.

Sales of common dropped ½ a point this week, from the 49 of last week, to 48½, the minimum price. There were no sales of preferred.

MONTREAL COTTONS.

Business is keeping up well for Montreal Cottons, and the firm has been branching out on some new lines that are likely to increase its field of operations permanently after the war. Profits continue good, and the regular quarterly dividend of 1¾ per cent. on preferred, and 1 per cent. on common was declared this week, payable on Dec. 15 to holders of record Dec. 5. The manufacturing profits last year were $490,032, leaving net profits of $116,782 after paying bond interest, dividends, etc. The sales were $4,397,824, compared with $3,055,367 for the previous year.

PENMANS.

The business of Penmans Limited for the year to date will run ahead of last year, according to a statement of a large shareholder to THE FINANCIAL POST. It is probably that the net earnings will figure out quite as high proportionately as the turnover. The company has been in good shape for the most part so far as a supply of wool was concerned, and in addition its spinning facilities enabled it to secure yarns at a lower rate than the average mill that has had to depend on the spinners, who were rushed with orders and naturally were not cutting prices on their output. The care that was exercised by Penmans in accepting only that amount of business that they could reasonably expect to deliver, has stood it in good stead and the satisfaction that it has been able to guarantee to the trade will prove a valuable asset when the war is over and competition becomes far more keen than it has been for the past two years and more. The orders from the United States have helped the company to keep its mills running at points where there was a little slackness on account of a slight falling off in domestic business. A report comes from the war office at Washington that the goods that were delivered by Penmans have been up to an unusually high standard, and that the firm is assured of further orders as long as these are in sight.

A few sales of Penmans common were made at 65, unchanged from last week.

DOMINION TEXTILE.

With the mills of the Dominion Textile Company working on an assured basis the investor will be interested in an offer that the general manager, F. G. Daniels, has made to encourage the younger employees to subscribe to the Victory Loan. Such a step is bound to increase the spirit of loyalty in the mills, as it is essentially a logical movement in the direction of welfare work and shows a consideration that is certain to be appreciated by those concerned. The first proposal is that to those earning less than $7.50 a week who pay 50 cents a week will be presented with a $50 bond paid up at the end of a year, while those receiving under $15 a week who pay in $100 in the year will receive a $200 bond.

There were several sales of Textile common this week at the same as last, 80¾.

ATLANTIC UNDERWEAR.

The Atlantic Underwear Company's recent dividend of five per cent. compares with four per cent. last year, when the initial dividend was declared. The success of the company has been notable. Organized primarily to do an annual business of $300,000 the output is now at the rate of $1,000,000 a year and this with no additions to the capital and with very small extensions of the plant. The mills are kept going night and day. A great factor in economy is the natural gas obtainable at Moncton, thus reducing the cost of power to a minimum.

BELDING-PAUL-CORTICELLI.

At a meeting of directors this week a dividend of 3½% was declared on the preferred shares payable Dec. 15 to record of Dec. 1. This makes a total of 14% paid this year on preferred, the regular dividend of 7 per cent. and 7% of an extra on account of deferred dividends. These amounted to 24½ at the beginning of the year and are now reduced to 17½.

MILLING

Licensing Regulation Received in Good Spirit by Officials of Big Milling Concerns.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

The new order-in-council requiring the licensing of all mills of over 100 barrels capacity daily has introduced another disturbing factor into the milling industry. The wide powers conferred under this regulation, permitting the Food Controller to regulate price, distribution and transportation of mill products in cases where mills have failed to live up to the terms imposed by him, introduce possibilities that might very well be serious to this great industry. As a matter of fact, however, the heads of the larger milling concerns are inclined to take this new legislation in a cheerful spirit. They incline to look upon it as merely a matter of form and do not expect that any interference with business will be attempted. Word has been received by some of the larger milling concerns that no set standard for flour will be required and that, therefore, it will be permissible to use present brands.

Although nothing definite has been decided as to the restriction on sales in flour in less than 20 pound bags, there is a general feeling that the three postponements in the time of the actual operation of this regulation suggests that the Food Controller has thought better of the measure.

Domestic business is well up to the average of last year and is considered very satisfactory from a financial standpoint. The 25 cents per barrel profit that still obtains will it is believed mean a very satisfactory year's business. There is no anticipation of any decline in prices, there is even a possibility of slightly higher figures. This will not mean any greater profit but will simply take up the increased carrying costs incident to holding large supplies of wheat.

WESTERN CANADA FLOUR.

The Western Canada Flour Mills Co., according to the manager, J. C. Macfarlane, is doing a very satisfactory volume of business. The only disturbing features are the difficulties in regard to transportation that are common at this time of year. Mr. Macfarlane does not expect that the recent regulations regarding the milling trade and food stuffs in general will seriously affect the business of the company. It will, he thinks, practically shut off the American business of the company, but confidently expects that the export companies will be able to look after all stocks not required for the domestic trade.

MAPLE LEAF.

Officials of the Maple Leaf Milling company state that the orders relative to the milling companies are not expected to affect the business of the company. The bulk of this business is on British Government contracts, and there is no likelihood of any interference in that direction. Sales in stock during the week were fairly brisk, and evidenced a little better feeling, the range being 101 to 102 for the common and 92 for the preferred. Even this slightly better feeling, however, hardly appears a fitting response to the substantial excess dividend recently declared.

INTERNATIONAL MILLING.

The recent legislation of the Food Controller may have some effect on the administration of the business of this company which has extensive milling equipment on both sides of the line. This will be largely of an administrative nature, and will not, it is expected, have any effect on the actual earnings.

LAKE OF THE WOODS.

"Domestic demand was never better," was the official report made to THE FINANCIAL POST in connection with the Lake of the Woods Milling Company this week. So active are orders from bakers and others in this country that the mills are unable to take advantage of the stand-

ing offer of the Wheat Export Company for any surplus they may have. The Lake of the Woods is included in those that will be required to take out a license at the end of the present month, but this is regarded merely as a formal affair, and as injuring the company's business in no respect. The Lake of the Woods mills will benefit by the decision of the government, as announced elsewhere, not to compel the manufacture of a standard flour that might interfere with the sale of the advertised brands of this company, which are valued highly as an asset.

A few sales were made in the common stock of the company during the past week, these transactions showed a decline of ⅛ point, the sales being made at 120⅛. The regular quarterly dividend of 1¾ per cent. on the preferred and 2 per cent. on the common will be payable on December 1 on records of November 24.

OGILVIE MILLING.

The licensing of flour mills will include the Ogilvie Flour Mills Company, but this provision was made at the recommendation of a committee of the trade, and should work out without hardship or restriction on business. The heavy volume of business that was a feature of the last annual statement of the Ogilvie mills continues, according to the secretary, Alfred Morris. Whatever repairs are needed must be carried out after the mills are closed, instead of shutting down in the slack times that are usual. Domestic orders are as strong as ever and the demand for export holds up for all the mills have left to offer. A distinctly favorable factor this week is the announcement that there will be no standard grade of flour forced on the mills, which would make them lose the identity of several brands which they have pushed among the trade and the general public. There were a few sales in the common during the past week, the figures remaining steady at 140.

MINING STOCKS

Market Develops a Firmer Tone Towards Middle of Week and Prices Advance.

After receding still further at the last week-end, prices began to firm up on Tuesday, and on Wednesday and Thursday quite a fair market developed, all things considered. The average daily sales at 48,804 shares were lower than those of the previous week, but this was on account of the abnormal quietness on Saturday and Monday. If the market can show this strength in face of as many adverse conditions it is evident that there is every reason for anticipating much better things as soon as the tide of adversity turns.

The improvement in prices over the seven-day period is shown in the following table. It has been quite general, and would have been all the more imposing were consideration given to the action of the market at the week-end:

	Close, Nov. 15	Close, Nov. 22	Change
Adanac	.11½	.14½	+.03
Beaver	.30¾	.29½	—.01¼
Dome	7.15	7.00	—.15
Dome Ex.	.09¾	.10	+.00¼
Hargraves	.08½	.09	+.00½
Hollinger	4.50	4.95	+.45
McIntyre	1.32	1.34	+.02
Nipissing	7.75	8.05	+.30
Vipond	.19¼	.19	—.00¼
Timiskaming	.25¼	.25¾	+.00½
Newray	.46	.46	...
West Dome	.13	.13¾	+.00¾

The next table shows the extent of each day's business on the Standard Exchange. It also records the daily quotations on bar silver in New York. The price of the latter commodity is still receding slowly, but in view of the announced intentions of the British and American Governments it is not likely to decline much further:

	Transactions in shares	Bar silver per oz.
Friday, Nov. 16	42,277	85¾c
Saturday, Nov. 17	22,090	85½c
Monday, Nov. 19	39,468	85½c
Tuesday, Nov. 20	50,690	85¼c
Wednesday, Nov. 21	69,195	85¼c
Thursday, Nov. 22	69,103	84⅝c

The announcement that the British and United States Governments would combine to establish what is virtually a "corner" in silver has been well received. If, as is expected, the price is fixed around 85 cents an ounce mining companies will be guaranteed a satisfactory figure for their output. It is expected that the United States Government will contract for the output of silver and smelting concerns next year to the amount of 60,000,000 ounces for Great Britain and 40,000,000 ounces for the United States. As the total annual production of the United States, Canada, Mexico and South America is only 123,000,000 ounces, there will not be much of a magin beyond governmental requirements.

Ore shipments from the Cobalt camp continue to exceed the million-pound mark. Last week seven companies shipped a total of sixteen cars, containing 1,261,369 pounds of ore as follows:

Shipper.	Cars	Pounds
Buffalo	6	479,335
Mining Corp.	4	327,014
Dom. Reduction	2	155,600
La Rose	1	87,441
Beaver	1	86,064
National	1	63,955
Kerr Lake	1	61,960
Totals	16	1,261,369

Bullion shipments were:

Shipper.	Bars	Ounces	Value
Mining Corp.	75	74,871.11	$64,389.15

CONIAGAS.

During the current year the aggregate output of the Coniagas mine will probably exceed 1,250,000 ounces. Production during the past ten months has been maintained at an average of about 108,479 ounces per month. With silver averaging over 80 cents per ounce, it follows that the value of the output is around $87,000 per month, or upwards of $1,000,000 per annum. Coniagas shareholders may also look for interesting developments from the two Porcupine properties recently acquired,—the Maidens-Macdonald and the Anchorite.

CONSOLIDATED SMELTERS.

Ore receipts at Trail smelter for the second week of November were down to 6,297 tons, which is the smallest showing so far in the company's fiscal year. In the corresponding week of last year receipts were 10,141 tons. The total to date is still ahead of last year, however, being 65,248 tons as against 60,052 tons in 1916.

DOME MINES.

The trouble with Dome Mines, according to F. C. Sutherland & Co.'s market letter, is that the property, while of enormous extent, is a low-grade proposition. The result has been that the high operating expenses cut current profits to a narrow margin. It is not likely, therefore, that Dome will be in a position to resume dividends until operating costs return more nearly to normal.

There was a break in the price of Dome shares this week from 7.00 to 6.50, the stock later recovering to 7.00 and closing on Thursday at 6.95. At 6.50, Dome was at its low point for the year.

HOLLINGER.

In their market letter this week, F. C. Sutherland & Co. estimate Hollinger's net profits for the year at $1,850,000 or 8% on the stock outstanding. As no dividends have been paid during the past nine months, the company has been able to wipe out the "book" deficit of $260,000 and acquire a handsome surplus. It should not be very long, although perhaps not this year, before the company resumes its dividends.

Hollinger's low point for the week was 4.60. The stock later recovered to 4.95.

McINTYRE.

During the nine months ended September 30, McIntyre produced 59,779 ounces of gold, which at $20 an ounce represents $1,195,580. This is at the rate of $1,584,104 for the year and compares with a rate of $1,454,000 for last year. According to this computation it would not appear likely that there would be any necessity for reducing the dividend.

McIntyre shares were pressed down to 1.30 on Saturday and sold as low as this on Monday and Tuesday. On Wednesday there was a recovery to 1.35, while on Thursday the close was at 1.33.

McKINLEY-DARRAGH.

With the 3% dividend just declared by the McKinley-Darragh-Savage Co., the company will have disbursed to its shareholders a total of $5,146,197, which is equal to 229% of the issued capital. The financial standing of the company is on a par with the most prosperous days of its history.

Over 16,000 shares of McKinley were sold this week, the price strengthening up from 60 to 61, with a close at 60½ on Thursday.

SCHUMACHER.

The Schumacher mill is now treating 180 tons a day at a profit of around $3 a ton. This would give a production of about $420,000 per annum. It is believed that the daily capacity of the mill will shortly be raised to 200 tons. There has been no trading in Schumacher shares for some weeks past.

SLOCAN STAR.

In order to prevent the affairs of the company from being turned over to a receiver, the managing director of the Slocan Star Mining Company, which operates in the Kootenay, has made an appeal to the shareholders to contribute three and one-half cents per share. Mr. White is reported to have said that unless the creditors of the concern are settled with within the next two months, the company would be forced to go into liquidation. At the present time the company requires a sum of $40,000 to liquidate its immediate pressing needs. The assessment of three and a half cents would raise a sum of $75,000. The directors who propose to expend the difference in development and extension work during the winter agree to give the shareholders four shares for each dollar raised in this way and to pay as well 7 per cent. interest on the moneys so raised. The entire indebtedness of the company is stated to be $150,000, of which $90,000 is in debentures which are due on January 20, 1920.

SURF INLET.

The Surf Inlet mines in British Columbia, which were taken over some time ago by the Belmont interests, are making such progress in the way of development that, according to present indications, the company will be in a position to declare an initial dividend early in the new year. During the past month 6,840 tons of ore were treated and sent to the smelter at Tacoma, the output for the month reaching a total value of $70,000.

TEMISKAMING.

Directors of the company have sent to the shareholders the report on the condition and outlook at the mine prepared by Douglas Mutch, B.A.Sc., who was instructed on September 6 to make an examination of the property. Mr. Mutch's finding bears out the conclusions reached by Balmer Neilly, M.E., from an earlier examination of the mine, and by the management itself, that ore reserves are comparatively small. Mr. Mutch places ore reserves at 10,816 tons, which will yield 350,000 to 400,000 ounces of silver. As Mr. Neilly's estimate was 11,572 tons, it must be apparent that the company's original assertion that very little ore remains in place to be seen was not far short of the mark. In fact Mr. Mutch's finding confirms that of Mr. Neilly's and leaves little ground for hope among those who believe the mine is not nearly exhausted.

For the present the company is in a good financial position. There were at October 31, 298,554 ounces of ore and bullion in storage and at smelters and $441,862 cash in the treasury.

With 25c as its low point, Temiskaming shares have held all week between 25 and 26, closing on Thursday at 25¾.

TRANSPORTATION

Little Change in the Situation—Decision as Regards American Rates Being Awaited.

The pending decision of the Interstate Commerce Commission regarding the application of the American railways for an increase in freight rates is an important factor in the transportation situation in Canada. It is felt that if the advance which has been asked for by the American roads is granted that the railway commission cannot very well longer hold its hand in granting the application of the Canadian systems. In the United States markets there has recently been reflected a feeling of confidence that the decision of the Interstate Commerce Commission will be favorable. In fact it is not now so much a question regarding the 15 per cent. asked for as to which additional increases may be granted so that the systems will be able to play their full part in the conduct of the war. An increase in Canada would do much to re-establish confidence in the situation not only from the standpoint of the shareholders of the companies concerned but also from the standpoint of business in general which is becoming apprehensive of what the effect may be if the carriers are not allowed sufficient revenue to maintain their equipment on a basis to provide service.

The shortage in freight cars has already been helped a good deal by the work of the Canadian railway war board. Cars are more evenly distributed over the various freight areas, and there are fewer delays in loading and unloading, according to railway officials. Hoarding of cars by any one particular railway against special consignments of freight has been eliminated, with the result that practically all Canadian cars are in use the whole time in place of only part time. The new system is said to be working out quite satisfactorily.

Following returns indicate that gross receipts of the Canadian roads are still on the increase:

	Week Ending Nov. 14. 1917	1916	Change	%
C.P.R.	$3,575,000	$3,051,000	$524,000	17.1
G.T.R.	1,305,511	1,283,901	21,610	1.7
C.N.R.	1,039,800	825,100	214,700	26.0
	$5,920,311	$5,160,001	$760,310	14.9

GRAND TRUNK.

Gross earnings of the Grand Trunk Railway Company for the week ending November 14 amounted to $1,305,511, which is $21,610, or 1.7 per cent. in excess of the figures for the corresponding period in 1916. As compared with the figures for the previous week there was a gain of $18,326, but compared with the earnings for the second week in October there was a falling off of $6,994. Following are comparative figures:—

	1917	1916	Inc.	%
Nov. 7	$1,287,185	$1,244,959	$42,226	3.4
Nov. 14	1,305,511	1,283,901	21,610	1.7

For the ten-day period ending with October the gross earnings of the Grand Trunk Pacific Railway totalled £52,398, compared with £42,937 in 1916, an increase of £9,561, while from July 1, to October 31, the earnings amounted to £468,675, an increase of £135,488.

The Grand Trunk has reached an agreement with conductors, train baggage men, brakemen, yard conductors and yard brakemen whereby four thousand men will receive increases in pay and will work reduced hours. This will be another considerable factor in the increase of the company's operating expenses which are already on a scale which is rapidly reducing the margin of net profit.

CANADIAN PACIFIC.

For the second week in November gross earnings of the Canadian Pacific Railway Company amounted to $3,575,000, against $3,051,000 for the corresponding period last year, an increase of $524,000 or 17.1 per cent. As compared with the figures for the previous week there was a gain of $371,000, the gain for that week being 5.5 per cent. Comparative figures follow:

	1917	1916	Inc.	%
Nov. 7	$3,204,000	$3,036,000	$168,000	5.5
Nov. 14	3,575,000	3,051,000	524,000	17.1

A statement emanating from New York that there have been practically no bids for C.P.R. lands in the Northwest, and considered in some quarters to have formed part of the recent bear campaign to drive down the price of that stock, receives an emphatic, and at the same time a practical denial from E. W. Beatty, K.C., vice-president. He shows that the sales for the ten months of the present year to date were almost double those of last year, and the amount received increased by over $4,600,000. Another favorable factor is that not only did the present period show large increases but the average amount received per acre was greater, that for 1917 working out at $17.5, while last year the price fell slightly below $16 per acre.

The vice-president's statement reads as follows:—

"My attention has been called to a published statement that there are practically no bids for Canadian Pacific lands, and that it is difficult to see how the Canadian Pacific with its immense holdings of lands can do anything but drag lower as its earnings drops.

"The Canadian Pacific land sales for October, 1916, amounted to 45,027 acres at a price of $580,619; for October, 1917, sales amounted to 82,853 acres at a price of $1,456,451. For the ten months ending October, 1916, the total sales were 316,796 acres at $4,963,116, while for ten months ending October, 1917, 543,160 acres were sold for $9,527,636."

There has not been any marked change in the market situation during the week as far as Canadian Pacific is concerned, although there has been a strengthening of the price to the extent of two to three points above the low level touched last week. However, a new factor has made itself evident in the shape of an investment demand in Canada. This appears to centre in Montreal, and is regarded as a good omen, as indicating that those interests having an opportunity of coming very closely in touch with the proposition are developing renewed confidence. Press reports, however, refer to this buying as being for investment account for customers who have ready cash and who have confidence that whatever the early developments may be, the proposition has attractions for the future. Such buying would have the effect of absorbing quantities of the floating supply and thus strengthening the underlying position of the market.

CANADIAN NORTHERN.

Gross earnings of the Canadian Northern Railway Company for the second week in November showed a gain over the figures for the previous week of $144,400, and compared with the figures for the corresponding period in 1916, a gain of $214,700, or 26.0 per cent. For the week the earnings amounted to $1,039,800 against $825,100. Following are comparative figures:—

	1917	1916	Inc.	%
Nov. 7	$ 895,400	$ 885,000	$ 10,400	1.2
Nov. 14	1,039,800	825,100	214,700	26.0

From July 1 to date the earnings amounted to $16,463,600 compared with $16,133,900 for the corresponding period last year, the increase being $334,700.

The agreement between the Canadian Northern and the Government has finally been completed and made public. It is along the lines which have been previously outlined in THE FINANCIAL POST and the maximum price which may be awarded by the commission for the $60,000,000 of common stock outstanding has been fixed at $10,000,000.

The duty of the arbitrators is to take evidence such as may be offered on behalf of the Dominion and of the company. Both parties will be heard in the usual way as before all arbitrations. There has been no previous inquiry into the value of this stock at which both parties have been heard. After the taking of evidence and the making of any further investigations which the arbitrators may deem useful, it will be for them to decide what the value of the stock really is.

The agreement does not call upon the arbitrators to adopt any particular method. They may enquire what the stock could be sold for; they may ascertain the value of the assets and deduct the liabilities. They may take into consideration earning power. They are not restrained in any way but simply required to get at the fair value in the best way possible. It is further specifically provided that if the arbitrators should see fit to take into consideration the reproduction cost of the system, then they must not include therein the increase in value, due to the war, of labor, material, equipment, or of any property whatever.

CANADA STEAMSHIPS.

The active season of 1917 both in passenger and freight is drawing to a close, and nearly all passenger boats have been docked. The freighters will continue to operate until the first few days of December unless heavy frosts interfere with the Sault. An effort will be made to get down to salt water shortly those boats that are destined for overseas trade during the winter months, and a number of United States boats will be in the same position. The hauling of wheat by the Canada Steamships boats this fall has been about equal to that of last year; but the other freight hauled greatly exceeded last year's record, and earnings as a result may be expected to show a considerable increase over last year, although passenger traffic fell behind in most districts. Canada Steamships has figured prominently in the Victory Loan campaign, and outside the head office hangs a big sign with an inscription showing that the employees had subscribed to the present a total of $325,000 to the loan. The Street looks for a dividend declaration some time after the turn of the year.

ALBERTA PACIFIC GRAIN.

This company whose securities are held to a large extent in Eastern Canada has declared an extra dividend, or "bonus" of 15 per cent., and sends it on to the shareholders with the suggestion that the amounts be applied to the purchase of Victory bonds. The regular dividend on the common is 6 per cent. A bonus was declared last year as well as this.

PULP AND PAPER

Dormant Condition of Securities in This Group Continues Almost Unbroken With Trading Nearly at Standstill.

Another week of almost complete stagnation in the pulp and paper issues has passed by. An examination of the stock exchange record of the various securities shows that Brompton has been practically the only stock to receive any attention. Laurentide was untouched; Riordon was only traded in to the extent of one small block; the Spanish River issues were dead; and the same applied to Wayagamack and practically every other stock in the group. For record purposes only, the following schedule is inserted:—

	Close Nov. 15	Close Nov. 22	Change
Laurentide	152	152	...
Riordon	117¼	117¼	...
Spanish, com.	13	13	...
Wayagamack	50	50	...
Brompton	39	39	...
N.A. Pulp	2	2	...
Price Bros.	120	120	...

At the request of the manufacturers a conference was held this week between representatives of the book paper mills and the paper committee of the Trade and Class Section of the Canadian Press Association, with a view to arriving, if possible, at an arrangement which would preclude the necessity of continuing the governmental inquiry. The Provincial Paper Mills, Canada Paper Co., Kinleith Paper Co. and Toronto Paper Manufacturing Co. were represented. Nothing satisfactory came of the conference. One manufacturer did offer to supply paper at cost but none of the others had any definite offer to make. The investigation will accordingly proceed and the next hearing will probably take place at Ottawa on December 8.

R. A. Pringle, K.C., controller of paper, has extended from November 20 to January 20 the period during which the rate of $2.50 per hundred for newsprint will apply. Newsprint manufacturers in New York expect that the new price, which presumably

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

Collections

Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

The Dominion Bank

HEAD OFFICE - TORONTO

Sir Edmund B. Osler, M.P., President
W. D. Matthews, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of The Dominion Bank at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed) Showing Condition of the Bank on October 31, 1917.

LIABILITIES.

Capital Paid Up	$ 12,911,700.00
Reserve Fund	13,471,700.00
Undivided Profits	852,346.28
Notes in Circulation	26,872,558.49
Deposits	249,686,236.84
Due to other Banks	6,263,160.74
Bills Payable (Acceptances by London Branch)	247,164.96
Acceptances under Letters of Credit	1,166,359.04
	$311,471,226.35

ASSETS.

Cash on Hand and in Banks	$ 58,067,746.00
Deposit in Central Gold Reserves	14,500,000.00
Government and Municipal Securities	38,015,388.57
Railway and other Bonds, Debentures and Stocks	13,584,364.36
Call Loans in Canada	11,535,358.28
Call Loans elsewhere than in Canada	13,569,098.54
Deposit with Dominion Government for Security of Note Circulation	645,585.00
	$149,917,540.85
Loans and Discounts	152,140,349.95
Liabilities of Customers under Letters of Credit, as per contra	1,166,359.04
Bank Premises	6,624,278.41
Real Estate other than Bank Premises	1,622,698.10
	$311,471,226.35

UNION BANK OF CANADA

Dividend No. 123

Notice is hereby given that a Dividend at the rate of 8% per annum, together with a bonus of 1%, upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the 1st day of December, 1917, to shareholders of record at the close of business on the 15th day of November next.

The Transfer Books will be closed from the 16th to the 30th day of November, 1917, both days inclusive.

By order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, October 18th, 1917.

NEWS OF SECURITIES

Continued from page 3

will be fixed in January, will be retroactive, dating from June 1 or July 1, 1917.

It was reported early in the week that, as the result of a conference last week between representatives of the various paper companies concerned and Assistant Attorney Todd, of the United States Department of Justice, a compromise is likely in the newsprint case against the manufacturers. The heads of the Laurentide, Abitibi and Spanish River Companies are concerned in this case.

The general paper business in Canada, outside of newsprint, continues very dull and some mills have shut down some of their machinery. As a result stocks are piling up. The paper makers are inclined to blame the situation on the pulp makers. One mill is supposed to have reduced prices ½ cent a lb. in view of the reduction of from 35 to 40 per cent. in pulp, but other mills so far are refusing to make any concessions.

LAURENTIDE.

Another week has slipped by without any trading in Laurentide. Being an established investment stock and investors being occupied at present with the financing of war loan subscriptions, it is by no means unnatural that it should be neglected. There is stock offering at the minimum price of 152, however, and, as the minimum will not likely be removed until all danger of a further break is removed, investment at this figure should be a good proposition.

RIORDON.

But one sale of Riordon was put through this week and that was at 117¼. The same remarks which have been made about Laurentide are equally applicable to Riordon. The Riordon Company is in a very strong position and its stock offers sound security.

BROMPTON.

A particularly strong demand for kraft is reported by the Brompton Pulp & Paper Company and as the company has excellent facilities in this direction they are finding a market for all they can turn out at good profits. The newsprint end of the business continues at about the same level as for some months past, with export trade overseas limited only by the possibilities of tonnage.

A few shares of Brompton stock were traded in during the week at the minimum price of 39.

PROVINCIAL PAPER MILLS.

While the paper business generally is quiet, the Provincial Paper Mills have enough regular contract business on hand to keep their various mills running continuously. Repairs to the Barber mill at Georgetown, which was recently damaged by fire, are progressing. There has been no trading in the company's stock for several weeks.

NORTH AMERICAN PULP.

Results of operations for the first nine months of the year show net income of $1,019,324 available for fixed charges. The company ended 1916 with a deficit of $312,412. North American stock is traded in quite extensively on the New York curb and the *Curb News* has the following to say about the issue:

"The pulpwood forests of the United States having in a great measure being consumed, there are left but two countries in possession of what may be considered vast pulp wood resources—Canada and Scandinavia. Scandinavia is handicapped at present by the war and it is to Canada that the world must look for the most of its wood pulp supply. Following the war, Canada must continue as an important source of raw materials for making paper for the simple reason that the use of paper has now reached such proportions that the entire pulpwood resources of the earth may be inadequate. Scientists are already seeking a substitute.

"At the present time the United States is dependent upon Canada for more than one-third of its paper supply. Lack of foresight in cutting the pulpwood forests of the United States has so depleted the available supply that it is not only much less than our requirements but will last perhaps not more than ten years.

"When this fact is considered jointly with the fact that the use of paper increases at the rate of at least 10 per cent. a year it becomes apparent that for the profitable investment of funds in the development of resources the pulpwood forests of Canada should have the attention of capital."

ELECTRIC RAILWAYS

Another Dull Week for Securities—Public Utility Companies in the United States.

The stocks of electric railway and other public utility companies have passed another dull week with no improvement as regards prices and little to revive confidence as to the future so far as the treatment of such companies by public authority is concerned. In Ontario there is no important change in the situation relating to Niagara power and no solution is being offered of the problem of supplying the over-demand for some 100,000 horse-power unless the municipal public services are to be reduced to supply the needs of the manufacturers.

In the New York *Financial World* Robert A. Graf, secretary of the Northern States Power Company, expresses the opinion that the investor who has bought public utility bonds and preferred stock is to-day in a position to materially improve his investment position by the purchase of securities which frightened investors are sacrificing without reason. He admits that with many companies there has been a very perceptible increase in operating costs, but argues that this situation is a temporary one and that it will be limited either by reduction in the price of coal or an increase of rates by and with the consent of the governmental authorities. He says it is entirely unreasonable to suppose that a properly constituted government authority, either municipal, state or federal, will not recognize the absolute necessity and justice of providing at least in part for the increase in the operating costs by allowing an increase in the rates.

DULUTH-SUPERIOR.

The Duluth-Superior Traction Company reports gross earnings for the second week in November amounting to $31,656 against $27,966 for the corresponding period in 1916, an increase of $3,690 or 13.2 per cent. For the two first weeks in November the earnings were $64,427, an increase of $8,106 or 14.4 per cent., while for the year to date the earnings totalled $1,375,173 against $1,192,721 in 1916, an increase of $182,452 or 15.3 per cent. Following are comparative figures:

Nov.—	1917	1916	Inc.	%
1st week	$32,770	$28,354	$4,416	15.6
2nd week	31,656	27,966	3,690	13.2

The gross earnings for October amounted to $139,147 compared with $121,229 for the same month in 1916, an increase of $17,918. Operating expenses were higher by $15,492, while net earnings amounted to $45,159 against $42,733, an increase of $2,426. For the ten months ending with October the gross earnings were $1,319,119, an increase over the corresponding period in 1916 of $174,445. Net earnings totalled $469,238, an increase of $60,583. Comparative figures follow:

Ten months— October—	1917	1916		Change
Gross	$139,147	$121,229	+	$17,918
Exp.	93,988	78,496	+	15,492
Net	45,159	42,733	+	2,426
Gross	$1,319,119	$1,144,674	+	$174,445
Exp.	849,881	736,019	+	113,862
Net	469,238	408,655	+	60,583

WINNIPEG ELECTRIC.

There are certain evidences of improving conditions in the September statement of the Winnipeg Electric Railway Company, the net earnings of $63,426 showing an advance of $23,970 over the month of July. A year ago the September earnings were higher by $24,427, at $87,853, but the September advance over August was only $1,918. Following are comparative figures:

Net.	1916.	1917.	Change.
Jan.	$108,475	$ 88,522	—$ 19,953
Feb.	108,250	78,510	— 29,740
March	111,900	883,641	— 28,259
April	111,035	71,415	— 39,620
May	103,277	64,145	— 39,132
June	87,571	49,664	— 37,907
July	74,587	31,347	— 43,240
Aug.	85,935	39,456	— 46,479
Sept.	87,853	63,426	— 24,427
	$878,883	$570,127	—$308,756

TORONTO RAILWAY.

Toronto Railway has retired behind the minimum barrier this week, and there have been no transactions in the stock. Nor has there been much discussion regarding the dividend prospects recently, so completely has trading interest been diverted from the stock market for the time being. An early intimation regarding the dividend policy may now be looked for. The impression continues that there will be no change in the basis for the next declaration, but those who are acquainted with the company's position as regards cash assets and maturing liabilities, and with the conditions as regards operating costs, are of the opinion that it can only be a matter of time until there is some reduction of the distribution if there is not some improvement in revenue. In this connection the relationship of Toronto Railway proper with its various subsidiaries, a relationship which continues very vague so far as the shareholders' interests are concerned, sustains interest. The company has $750,000 of 6 per cent. notes expiring in December, but it is understood that these will be taken care of in the ordinary course of events.

With an increase in gross earnings for the month of September of $109,982, as compared with the same month a year ago, the net showing of the Toronto Railway Company and subsidiaries was only better by $3,371, there having been an increase in the operating expenses and maintenance of $106,611. Aggregate earnings for the nine months of the year show an increase of $885,348, of which $240,696 is an increase in net. Following are comparative figures:

1917—	Gross	Expenses	Net
Jan.	$1,002,469	$531,668	$470,801
Feb.	932,567	491,351	441,216
March	991,192	515,586	475,606
April	970,367	490,524	479,843
May	992,460	516,164	476,296
June	984,529	509,121	475,408
July	954,192	527,288	426,904
Aug.	1,039,819	591,013	448,806
Sept.	1,023,517	559,590	463,927

DETROIT UNITED.

Negotiations are still under way on behalf of Detroit United Railway for a more favorable agreement from the Detroit City Council that would allow them to increase the fare and to restrict transfer privileges, owing to the heavy increase in operating expenses. This is indicated by the figures for the first nine months, when gross earnings were $13,418,589 compared with $12,107,552 for last year, but the net earnings dropped from $3,840,281 to $3,664,206 this year. September made a far more unfavorable showing in this respect, as the net dropped from $462,679 of 1916 to $340,938 and the indications are that the last three months of the year will show even larger declines in net earnings as compared with last year.

When asked whether there was any chance of the dividend being cut from 8 to 6 per cent., as urged by a Detroit paper, A. J. Ferguson, one of the vice-presidents, laughed at the idea. "There is as much chance of a cut in the Bank of Montreal. Why during the first nine months of this year, after paying all charges, we had a surplus of $600,000." Mr. Ferguson would not venture an opinion as to whether the petition of the company would be granted. One appeared hopeful, declaring that rates "must" go up.

The stock has been inactive and remains at the minimum 104¾. Last week there was a sale in New York of a block at 95.

PORTO RICO.

For the month of October the Porto Rico Railway Company reports gross earnings amounting to $72,493 against $63,329 for the same month in 1916, the increase being $9,163. Net earnings for the month amounted to $32,447, an increase of $3,524. Gross earnings for the ten months ending with October totalled $744,454, an increase of $53,219 over 1916, while net earnings were $333,887, a decrease of $6,199. Following are comparative figures:

October—	1916	1917	Inc.
Gross	$ 63,329	$ 72,493	$ 9,163
Net	28,922	32,447	3,524
Ten months—			
Gross	691,234	744,454	53,219
Net	340,086	333,887	*6,199

*Decrease.

BRAZILIAN TRACTION.

Brazilian Traction has been one of the most active stocks of the week on the Canadian markets, although the volume of business has been much lower than was the case last week. The prices show little change, the range being from the minimum of 32 to as high as 32¾.

LIGHT AND POWER

CONSUMERS GAS.

That the increase in the price of gas made some months ago by the Consumers' Gas Company was fully warranted by the conditions prevailing in relation to the cost of production is indicated from the fact that for the six months of the company's year ending September 30th there was an actual decrease in net income of $3,682, as compared with the corresponding period of 1916. This is shown in the company's return to the City of Toronto.

The company's stock is performing well on the stock exchange, although there has been little trading. Transactions have taken place this week at 148 or a point above the minimum.

BARCELONA.

There has been some slight improvement in Barcelona Traction this week, with trading quarter to half a point above the low of last week. This stock evidently has an appeal from time to time for speculative traders who are prepared to wait. In this connection it may be pointed out that in the annual statement the president stated that the earning power in prospect was not only sufficient to meet the interest on the funds used on extensions to the service but to provide a surplus as well.

CIVIC INVESTMENT.

For the first six months of its current fiscal year ending Oct. 31, the gross earnings of Civic Investment & Industrial Co. amounted to $4,822,710, leaving a surplus of $2,612,012, after meeting expenses of $2,210,697. This represents earnings at the rate of 6.64 per cent. per annum. As these six months include the light ones of the year, it is expected that the earnings for the full year will run close to 8 per cent. on the capital stock. The increases towards the end of the year are shown by the following figures for the three months, August to October:

Month.	Gross.	Net.
October	$905,216	$412,358
September	834,203	373,985
August	783,412	337,552

A number of shares changed hands this week at 68½, the minimum price.

OTHER STOCKS

Dullness Intensified—Canadian Markets Practically Dead So Far As Stock Trading Is Concerned.

The dullness of past weeks has been intensified—although that was considered as being hardly possible—during the recent trading. The stock exchanges are almost deserted by the brokers who are out on the Victory Loan campaign and have been aided in this effort by the establishment of the minimums which have acted as an important factor in checking liquidation. No improvement is expected until after the end of the loan campaign at least. Then there may be some release of funds for investment purposes but there is no indication that money will be plentiful enough to encourage any broad speculative movement. Looking to New York as a barometer the indications are that war events are the predominating factor in the situation and that any development which would act as a reviver of public confidence or indicate that the period of the war was being materially shortened would probably be followed by a public demand which would result in a considerable rise in prices.

AETNA EXPLOSIVES.

Speculative interest was renewed in Aetna Explosives this week due to the news which came from Canada on the stock, says THE FINANCIAL POST'S New York correspondent. The company's mammoth plant at Drummondville, Que., which has been closed for several months is again operating. Because of this Canadian connection the stock assumes a Canadian character though the holdings are largely in the United States. From October 1 to the close of last week 153,700 shares had been traded in on the Curb, New York. Since January 1, the price has fluctuated between a low of 2 and a high of 8, with this week's price nearing the top level.

The closing of the company's Canadian plant was necessary because at that time operations were not being conducted on a profitable scale. Now the Company is being operated under the receivers. The acid departments of the Canadian plant are being operated at capacity to manufacture sulphuric and nitric acids and the output is at the rate of 3,000 tons, monthly. The output of the Drummondville plant represents a considerable portion of the aggregate amount of acids used by the company. These acids are shipped from Drummondville to the various plants on this side of the border.

There has been another quiet week for the company's securities on the exchanges with no sales in the common and but one five share transfer in the preferred; this was at the minimum of 47 as compared with last previous sales at 49 about the middle of September.

AMES-HOLDEN-McCREADY.

No word has been received from the War Department at Ottawa as to orders that the shoe manufacturers are expecting for the equipment of the new battalions of soldiers. In the meantime, as the General Manager of Ames-Holden-McCready, N. R. Feltes, stated to THE FINANCIAL POST, the factory continues to exceed records of last year, and business on the whole is very satisfactory. Orders for spring are now being received. The next statement of this company, as has been mentioned before, is likely to be of such a character as to warrant an expectation of payments on the accrued dividends.

B. C. PACKERS.

There has been no activity in this stock for some little time past. Though the showing of the Pacific packing houses was better than was at one time expected, there seems to be no very great interest being taken in the stock at the moment, though there is every possibility that the coming year's business will show a marked improvement.

CALGARY BREWING.

In spite of the temperance legislation that holds most of its field in the West, the Calgary Brewing & Malting Company is making a better showing than was expected. It branched out into the manufacture of temperance drinks and the demand for these has in part compensated for the big business it did before in the more-than-2½-per cent. brands. The company was able to pay a dividend of 1½ per cent. last year but nothing is in sight for 1917. The earnings, however, are more than sufficient to meet the bonded indebtedness.

CANADA BREAD.

Shareholders of the Canada Bread Company will no doubt be interested in the review of the company's statement for the year ending June 30th last presented in this issue. THE FINANCIAL POST'S analysis of the figures indicates that if the same basis of earnings is considered as a year ago there was actually a substantial increase over the period ending in 1916 instead of the decline indicated in the earnings brought down to the profit and loss account. This is explained in the fact that, whereas in 1916 and in 1915 there was an appropriation from manufacturing profits of $50,000 for depreciation shown in the profit and loss statement, in the 1917 report this amount was carried direct to the depreciation account and does not appear as a deduction. Under the circumstances, and considering the unsettled conditions which have prevailed the shareholders have reason to feel congratulated that so good a showing was made. For the present and the future the vice-president, Mark Bredin, states that conditions are unsettled and that developments are to be expected; he evidently refers to possible new regulations by the Food Controller or other authority at Ottawa. The market for the company's securities was very dull during the week, only four shares of the common changing hands at 13, the minimum.

CANADA CEMENT.

Although there has been less interest in Canada Cement securities during the past week there have been a few sales of the common every day with the bulk of the transactions at the minimum, 57, although a price fractionally higher was paid in some cases. A few sales of the preferred took place at the minimum, 90. It has been reported during the week that the company is preparing for the installation of a plant for the production of potash as a by-product of the cement industry. Experiments have been conducted along this line ever since the outbreak of the war when the German supply was cut off. However, the efforts all along have been attended by questionable success and it is therefore a good sign that Canada Cement is taking a step which would indicate that at last success is assured. Not only is this likely to prove an important industry in Canada with the development of agriculture and the increased demand for land fertilizers, but while the war lasts potash is likely to prove a very important factor in that increase of agricultural production which is so necessary for the success of the Allied cause.

CANADIAN GENERAL ELECTRIC.

Canadian General Electric, like the majority of Canadian industrials, has been practically out of the trading this week but there were a few shares changed hands at the minimum, 101½. Senator Nicholls, the president of the company, who presents a very interesting article in this issue on after war prospects in Canadian trade, states that the affairs of the company are in a very satisfactory state, important orders having been recently secured for marine motors and other supplies. In fact, he states that the company's plants are working practically at capacity on standard products, which is an indication that this concern is successfully adjusting itself to the passing of shell manufacture.

CITY DAIRY.

Reports in connection with City Dairy do not indicate any developments of importance during the week, but the lapse of further time without action by the Food Controller adds confidence to the conclusion that the information presented to the Milk Committee at the inquiry has been such as to satisfy the members that milk distributors are not making a larger profit than is necessary for the maintenance of their business on anything like a healthy footing. The present margin in Toronto is considered fairly satisfactory by City Dairy under the conditions prevailing, but costs continue to rise in many directions. The securities continue dead on the market with a willingness on the part of observers evident to absorb offerings at 30 and 60 for the common and preferred respectively.

DOMINION PARK.

The report for the year ending Oct. 31, as given elsewhere shows that the gross earnings of the Dominion Park Company established a new high record, the best previous year being shortly after the amusement park was opened, in 1912. After paying a 5 per cent. dividend on the $400,000 stock there was a surplus on the year of over $17,000 to add to the accrued surplus. There have been no sales of the stock since back last year when 85 was paid.

DOMINION CANNERS.

There was another uneventful week for the stock of the Dominion Canners. Holders are evidently "standing pat" pending some indication of actual earnings during the year. Business conditions are known to have been far from favorable, but, despite that fact, there is a very strong feeling current that they will be able to show a fair percentage of profits.

MACKAY.

Weakness for Mackay common was shown this week when the price went as low as 70¾, the low mark of the year. Towards the end of the week there was some recovery. The preferred also registered a drop, going to 59, which is practically a point under the previous low. There was nothing to indicate that other than general influences were at work in connection with these securities.

MONTREAL TELEGRAPH.

One of the companies that will be affected as a consequence of the taking over of the Canadian Northern Railway by the Government will be the Montreal Telegraph Company. This company is operated and maintained by the Great Northwestern Telegraph Company, under an agreement entered into in 1881, and extending for 97 years, which guarantees the payment of dividends of 8 per cent. The guarantee also binds the Western Union Telegraph Company of the United States. The G. N. W. has been under the control of the Canadian Northern, and thus will be taken over with it, and the agreement covering the Montreal Telegraph Company will be binding in future on the Government, and therefore must be considered as an additional security for the shareholders.

Speaking of the Montreal Telegraph Company, Wm. McMaster, the president, stated that the recent drop in the stock was due to the sale of a block of the

Continued on page 5.

PEACE BY CHRISTMAS

A POWERFUL editorial dealing with the important war developments of the week, including Lloyd George's speech in Paris and Lord Northcliffe's letter regarding the new Air Ministry. These statements are a startling revelation of existing conditions in British political circles and confirm once more THE FINANCIAL POST'S policy in advocating these fearless, able men as the most essential for the winning of the war and for lifting us out of the mess into which the intellectual, incompetent Asquith-Grey-Churchill-Balfour combination had got us.

GOVERNMENT REGULATION AND THE HOG INDUSTRY

There is a serious and imminent danger that the proposed government regulation of packing profits will have the effect of handicapping the market facilities for Canadian grown hogs. It is not only proposed to reduce the profits on turnover but in addition to reduce possible income to a maximum of 11 per cent. Any step which is likely to interfere with the development of marketing facilities may quite easily reduce the price to the hog raiser to a much greater extent than any benefit to the consumer. The higher the market for hogs the greater the benefit of the hog raising industry to the whole country.

WALL ST. BEARS CONTINUING TO PLAY WITH C.P.R.

A special article from our correspondent in New York dealing with the market developments as regards Canadian Pacific stock during the week. The heavy liquidation in this stock continues; in fact over 500,000 shares or more than 20 per cent. of the entire common issue outstanding have changed hands since the 1st of July.

SHELL ORDERS CONFIRMED

Official announcements from American sources during the week have confirmed the advanced reports of the Financial Post as to orders placed in this country by the American government for shells. The business so far is for 7,000,000 75 millimetre shells. The American shell orders in sight total about $50,000,000 but it is expected that the orders will continue indefinitely and that the total will go at least $100,000,000 to $200,000,000.

The foregoing are only a few of the special features of the FINANCIAL POST'S 20-page issue last week. Attention may be directed to such other articles as:—

"Automobiles Have Helped Out on Farms." "Public Utility Companies are Facing a Crisis."
"U. S. War Orders Will Help Our Trade Balance." "Book Paper Probe Quite Intricate."
"Some Revival of Interest in Canadians." "Mr. McAdoo Does Not Want Bonds to Cross Border."
"The Good and Evils of Short Selling." "Canada's Part in Future of West Indies."
"Railway Capital is Also More Expensive." "Prime Cause of Rise in Bar Silver."
"Big Business and its Part in Great War," etc.

These special articles were all in addition to our regular departments and regular service. These include News of Securities, with items on practically all important Canadian stocks, our pages for bankers with space devoted to practical problems of the branch manager, News of the Bond Market, dealing largely with the Victory Loan, Field of Municipal Finance, Investors Insurance Notes and Real Estate and Mortgages.

All features and departments are compiled and arranged in the interest of the Canadian investor and the Canadian business man.

Each issue of THE FINANCIAL POST is quite as interesting.

The following letter from a very prominent manufacturer and salesman indicates the high opinion in which the paper is held by its subscribers.

THE FINANCIAL POST,
Toronto.
Dear Sir:
Recently we sent you a subscription covering the delivery of The Financial Post to each of our Sales Agents and Salesmen throughout Canada. This was prompted by the fact that, in our opinion, your paper is the best barometer in Canada of what is going on in the different industries from one ocean to the other in this country. Your paper contains information valuable to any traveling representative of any firms.
(Sgd.) F. E. MUTTON,
Vice-President,
Oct. 12, 1917. International Time Recording Co., Toronto.

THE FINANCIAL POST is mailed every Friday night. Sign attached coupon and take advantage of the splendid weekly service it gives its readers.

FINANCIAL POST OF CANADA,
143-153 University Ave., Toronto.

Please enter me as a subscriber commencing at once. I will forward $3.00 for my subscription on receipt of invoice.

Name ....

Address ....

CENSUS SHOWS INDUSTRIAL DEVELOPMENT

Government Figures For 1915, Just Issued, Provide Interesting Information.

EXPANSION OF CAPITAL

Between 1910 and 1915 the Capital Invested in Canadian Industry Increased by Nearly Sixty Per Cent.

There has been a tendency during the past year to minimize the normal industrial development of Canada. The rapid and enormous growth in our export business, and the resultant piling up of a substantial "balance of trade" in Canada's favor, have drawn forth warnings that this excess of exports over imports was due solely to "war orders," and was merely ephemeral, to be followed by a period of adverse balances that would in turn help to create an immense additional indebtedness (to the United States, as successor to Great Britain as a lender).

Much of this is undoubtedly warranted, but too often it has been assumed that our industrial development is of the nature of a transient superstructure that would come toppling,—and catch us before we "got from under"—once the war ceased to be a factor in our production.

To all such theorizings, some Government figures that have just been issued, should perform the function of an antidote. It is hardly necessary to remark that, being Government figures, they are belated: they refer to the end of 1915, and are coming out near the end of 1917, but for all that they are of value as well as of interest, and provide the best available information on Canada's industrial development in so far as it can be depicted by statistics.

Increase of Capital.

Perhaps in no respect are the comparisons of the year 1915, with the corresponding figures of 1910, 1905 and 1900, so gratifying as in the case of "capital invested" in industries. Whatever discount must be applied to our present output as due to the war, the totals of capital invested have been comparatively little altered on this account. In munitions plants, for instance, much of the capital invested is written off through depreciation, lest a cessation of shell orders reduce it to a "scrap" valuation. Factories have been enlarged since the war began, but in the great majority of cases there is an expectation that domestic or export trade will continue as it is now, and may even show an expansion.

In the years between 1910 and 1915, "capital" increased from $1,-297,583,609 to $1,994,103,272 or 59.84 per cent. In the previous 5 years, the increase was from $833,916,155, or 49.61 per cent. The ten years therefore show an increase of no less than 139%.

For any who may be disposed to challenge the accuracy of the tables, it is explained that the term "capital" is used to include (a) value of land; (b) machinery and tools; (c) materials and stocks in hand, and (d) cash, trading and operating accounts and bills receivable.

Not a "War" Development.

In the main, this rush of capital to invest in Canadian industries was little influenced by war requirements which covers, of course, only a small portion of the period involved, and indeed apart from this, the nature of the industries provide self-evident proof.

What are these? The fifteen chief ones will be cited:

Capital Increase in Five Years.

Electric light and power	$138,000,000
Smelting	97,000,000
Paper mills	63,000,000
Cars and car works	38,000,000
Iron and steel mills	38,000,000
Car repair shops	28,000,000
Cement mills	26,000,000
Electrical apparatus	20,000,000
Wood pulp, ch. and mech.	17,000,000
Slaughtering and meat pack.	17,000,000
Foundries	15,000,000
Flour and grist mills	14,000,000
Agric'l implements	14,000,000
Sugar refining	11,000,000
Automobiles	9,000,000
Total	$545,000,000

Almost any analysis of these preceding items will show that the demands for war supplies exerted little, if any, influence on the expansion. In electric light and power: a natural one, due to the replacement of steam by hydro-electric. In the few cases where power consumption has increased through war manufactures, other "post-bellum" industries are expected to warrant the development.

Paper mills,—$63,000,000. Not war exports to Europe, though these have followed incidentally, but the pressing demands of the United States (rather than local requirements) have influenced the unprecedented growth in paper mill construction in Canada.

Cement mills, not for war purposes; war cut down Canadian production.

Wood pulp: for domestic and U. S. consumption chiefly.

Slaughtering and meat packing: in part, a war item.

Flour and grist mills: Very little as result of export to Europe.

Agricultural implements: Development curtailed, not aided by war.

Sugar refining: No developments due to war, although export trade has greatly increased.

Automobiles: Investment not due to war, although war has increased exports.

Cars and car works: Injured on the whole rather than helped by the war.

Steel industry: Greatly aided by war demands.

Coming to individual amounts it is seen that the average capital investment per establishment increased from $64,917 to $93,593, a gain of 44 per cent. in the five years.

Unfortunately for the totals of production the figures covering the year 1915 fell far below those in 1914 as a rule or even 1913, and were much surpassed in 1916. Making allowance for the trade depression in 1915 that was reflected in production the following comparison of the figures with those of 1910 is still impressive:

Province	Establishments 1910	Establishments 1915	Production 1910	Production 1915
Alberta	290	584	$18,788,826	$30,592,833
B. C.	651	1007	65,204,255	73,624,431
Man.	439	840	53,673,609	61,594,184
N. B.	1158	714	35,422,302	37,832,034
N. S.	1480	968	52,706,184	70,860,756
Ont.	8001	9287	579,810,225	718,923,274
P.E.I.	442	291	3,136,670	2,646,469
Quebec	6584	7158	350,901,656	387,900,585
Sask.	173	457	6,332,132	14,162,574
Total Can.	19,218	21,306	$1,165,475,639	$1,398,137,140

The chief groups of industries are thus tabulated according to the growth in products in the 10 and 5 year periods with percentages of growth:

	1905	1910	1915	% Increase 1910–1915
Food products	173,359,431	245,669,321	388,815,362	58.27
Textiles	85,982,979	135,902,441	144,686,605	6.46
Iron and steel products	53,012,689	113,640,610	120,422,420	5.96
Timber and lumber manufrs.	112,545,298	184,630,376	123,396,686	33.16
Leather and products	42,132,007	62,850,412	71,036,644	13.02
Paper and printing	33,749,020	46,658,053	74,038,398	59.36
Tobacco	15,274,923	25,329,323	28,987,250	14.64
Vehicles for land trans.	37,396,302	69,712,114	73,878,212	5.97
Vessels for water transpor.	1,943,195	6,575,107	8,419,645	28.05

Out of the total of $1,607,137,140 only $133,417,371 is attributed in these groups as due to war trade. The chief items are: textiles, $23,319,-659; iron and steel, $34,500,967; leather and products, $13,159,261; vehicles for land transportation, $16,-955,562; vessels for water transportation, $12,555,128.

DOMINION PARK'S NEW RECORD FOR EARNINGS

Added Nearly Fifty Per Cent. to 1916 Figures—Gross Receipts Exceeded $220,000.

The gross earnings of the Dominion Park Co. for the year ending October 31 came up to the result that was forecast, and showed an increase of nearly 50 per cent. over last year. The total receipts were $221,972, while last year the figures were $150,-982. While the earnings increased, the operating expenses were much heavier than last year, comparing as $168,785 to $121,500, leaving the net earnings $23,705 ahead of 1916. Payment was made of $6,753 interest on bonds, and the sum of $9,332 allowed for depreciation. This item was not contained in the report of last year. The balance transferred to surplus was $37,100, compared with $22,307 last year. As the capital stock is $400,000, the earnings represent a percentage of a little over nine, compared with barely 5½ per cent. for 1916. The favorable showing this year enabled the company to pay a dividend of 5 per cent., the first since 1915, when it was 3 per cent.

The earnings of Dominion Park this year were the best in its history. The largest amount before was in 1909, when they reached $210,962. The company looks forward to a big season in 1918, as the earlier popularity of the park would seem to have returned, and the record of this year was secured in the face of weather that was unfavorable in the earlier part of the summer.

The expenses for the past two years compare as follows:

Expenses.

	1917.	1916.
Replacements	$ 28,461	$ 20,040
Insurance	4,500	4,500
General expense	24,320	27,323
Operating	111,504	69,636
Total	$168,785	$121,500
Interest on bonds	6,758	7,174
Depreciation	9,332	......
Balance	37,100	22,307
	$241,972	$150,982

From the surplus account of $190,950 there was deducted $20,000 on dividend account, leaving a balance of $170,950.

The total assets of the company increased during the year from $736,-292 to $753,698. The park property is set down at $624,000, a reduction of $14,000; cash in bank is $30,603, compared with $62,369, but this is more than offset by an amount of $48,750, an asset of 1917, an investment in the war loan, 1931. The various items of liabilities remain about the same as last year.

CANADIAN CHARTER TO EVADE U.S. WAR TAX

Gillette Safety Razor Company Takes Out Papers in Canada—No Stock to be Sold.

The establishment of a Canadian branch of the Gillette Safety Razor Company of Boston has been completed by the granting of a charter to the Gillette Safety Razor Company of Canada, Limited, with an authorized capital of $2,000,000. Among the directors is the managing director of the company in Canada, A. A. Bittues. It is understood that there will be no attempt to dispose of any of the stock, but that this will be closely held. This is not the first company of the same name, but a former one, which was incorporated in 1912, was operating under a Massachusetts charter and was licensed to do business in Canada. Its capital stock was $500,000. THE FINANCIAL POST understands that one of the chief reasons underlying the securing of a Canadian charter is one that may result in a number of United States companies securing charters in this country. Under the system of license the Canadian company was subject to the excess profits tax in Canada on all the profits earned in this country. At the same time, being a United States company, it was subject to the profits tax over there, as these profits were sent over to the United States. Thus they "Got it going and coming." Under the new conditions there will be no Massachusetts charter, the profits will belong only to the Canadian company, and on these a tax will be paid to the Canadian Government. Only a small portion of these could be taxed in the United States, such as the income received by the parent company from the stock it held in the Canadian company. Manufacturing for Canada is done at a factory in Montreal.

Figures for the parent company show assets of $12,952,341, with surplus of $2,654,612, as compared with $854,195 in 1915. There is $6,500,000 common and $3,500,000 preferred outstanding. During 1916 preferred was retired to the extent of $1,000,000. Seven per cent. has been paid regularly on preferred and 5¾ per cent. last year on common.

MUST EAT LESS.

A Serious Appeal to Canadian People by Food Controller.

The Food Controller has called upon the people of Canada to eat less of those foods which are urgently needed for shipment overseas to the soldiers, and to substitute other foods which are not so suitable for export. Any attempt to burlesque this appeal can only serve to obscure the imperative need in Europe of more wheat, beef and bacon if the soldiers are to be given the support which they must have. Those who to-day treat lightly the efforts of the Food Controller, and contend that there is an abundance of food, may have to go hungry before another harvest is gathered.

The United States Food Administration, in a colored poster which has been distributed widely, calls upon the people of that country to "Eat less wheat, meat, sugar and fats, to save for the army and our allies," and to "Eat more corn, oats and rye products, fish and poultry, fruits, vegetables and potatoes, baked, boiled and broiled foods."

To ask the Canadian people to eat less of certain foods in order that the soldiers at the front may not go short is not a matter for ridicule, but one of intense seriousness.

THE RAILROAD MENACE.

William A. Day, president of the Equitable Life Assurance Society, writing in the Equitable Bulletin on the railroad situation, says:

The present serious railroad situation calls for no panicky action on the part of security holders for it is entirely within the power of our national lawmakers and authorities to relieve it and ultimately to eliminate it. But to speak softly of the danger or to minimize it for any reason whatever is now folly.

War is upon us. Every atom of the surplus economic and physical power of the nation is suddenly required for national defence. The successful utilization of this power depends almost wholly upon our railroads. The roads form the initial and a vital link in our line of communication with our armies at the front. In addition to our normal commerce and the enormous war tonnage of the allies these roads must transport constantly our fighting units and their food, munitions, equipment and supplies needed at home and abroad.

Our railroad managers are making heroic efforts to meet this serious operating situation—many of them with wholly inadequate facilities and some with equipment, power and track deteriorating from lack of proper maintenance. This unfortunate situation is due to a great extent to the decline in railroad profits and to the inability of the companies to secure money in the open market through the sale of stocks or bonds.

These railroad properties and their earning capacity constitute the security behind nearly $2,500,000,000 of the savings of about 40 million people held by savings banks and life insurance companies.

If it is a wise policy as a war measure for our government to set advanced prices of 100 per cent. for staple commodities and to give financial aid to contractors whose services aid in prosecuting the war; if it is right for the government to loan money to Russia, Belgium, Serbia and other unfortunate nations to bring early victory in the war, surely it cannot be wrong for the government to give prompt and effective relief in the form of rate advances to the organizations which are operating its own basic line of communication to the battle front.

Without such support the physical and financial situation of our railways must inevitably grow worse.

Every citizen who is anxious for early victory in the war, and especially every savings bank depositor and life insurance policyholder and others whose savings are directly or indirectly invested in railroad securities should take an active and intelligent part in solving this problem.

The welfare of the nation and justice to the vast number of owners and creditors of the roads demand that there shall be no further temporizing with this question.

The Pennsylvania Railroad is employing 115 women in maintenance of way work between New York and Pittsburgh.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending Nov. 22:

	Ask.	Bid.	High	Low	Close	Sales	Minimum Price
Banks—							
Dominion	202	...	202	202	202	3	202
Hamilton	184	...	184	184	184	53	184
Imperial	185	...	185	185	185	45	185
Merchants	167	...	167	167	167	85	167
Montreal	210	...	210	210	210	3	210
Union	138	136	136	136	136	30	136
Transportation—							
Barcelona	9¼	8¼	8½	8¼	8½	125	...
Braz. Traction	32¼	32	32¾	32	32	750	32
Can. Steam., com	39¼	...	39¼	39¼	39¼	5	39¼
Do., pref.	76	...	76	76	76	50	76
Canadian Pacific	135	134	136	133⅜	135¾	18	...
Dul.-Superior, com	42	...	42½	42½	42½	25	42
Toronto Ry.	60	...	60	60	60	55	60
Twin City, com.	...	71	71½	71½	71½	84	...
Winnipeg Elec.	...	48	48	48	48	10	48
Telegraph, Light and Power—							
Consumers Gas	...	148	148	148	148	20	147
Civic Inv. Pr.	68½	...	68½	68¼	68½	378	68½
Mackay, com.	72¼	71¾	72¼	70¾	71¾	210	...
Do., pref.	60	58½	60	59	59	80	...
Shaw. W. & Power	107	...	107	107	107	60	107
Industrials—							
Ames, Holden, pr	50	...	47	47	47	5	47
F. N. Burt, pr.	86	...	86	86	86	2	86
Canada Bread, com.	15	...	13	13	13	4	...
Brompton Pulp	39	...	39	39	39	132	39
Can. Cement, com	57	...	57¼	52	57	87	57
Do., pref.	90	...	90	90	90	42	90
Can. Cottons, com	48½	...	48½	48½	48½	60	48½
Can. Gen. Elec., com	101½	...	101½	101½	101½	15	101½
Dom. Iron, pref.	88	...	88	88	88	4	88
Dom. Steel Corp	58⅜	52¾	53½	52	53	811	52
Dom. Textile, com	80¾	...	80¾	80¾	80¾	11	80¾
Lake of Woods	120⅛	...	120⅛	120⅛	120⅛	10	120⅛
Maple Leaf, com	101	...	102	101	101	153	98½
Do., pref.	92	...	92	92	92	33	92
N. S. Steel, pref	...	105½	105½	105½	105½	10	...
Ogilvie Flour, com	140	...	140	140	140	20	140
Price Bros.	125	...	120	120	120	100	120
Riordon Pulp, com	117¼	...	117¼	117¼	117¼	23	117¼
Steel Co. of Can., com	49¾	49½	50	49¾	49¾	403	49½
Do., pref.	84½	...	84½	84½	84½	12	85¼

For Victory!

Every Canadian is responsible for victory in the War. Particularly upon those not in uniform a great responsibility rests. They are not in the fighting line. Their sacrifices are mostly self-imposed. Their services are much confined to money.

And Canadians *in Canada* will not hold back. The call is too urgent. To go on supplying the Allies with stores we must have the money to pay the expenses of production. The Allies need the food and munitions which we can send, but if we cannot "finance" our production they will buy elsewhere.

Have you applied at the Victory Loan Headquarters for *your* bond?

National Trust Company Limited

18-22 King Street East, Toronto

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.

HEAD OFFICE, - WEYBURN, SASK.

NINETEEN BRANCHES IN SASKATCHEWAN.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted

OTHER STOCKS

Continued from page 4

stock which was under orders to be sold "at the market price." This was merely for the day and there was a recovery of the break of five points immediately. "For those who are looking for an investment stock, and not one for speculative purposes I regard the Montreal Telegraph Company as a most suitable one, and covered by a guarantee that is in every way satisfactory." Mr. McMaster pointed out to THE FINANCIAL POST that in addition to the 8 per cent. guarantee by the operating telegraph companies, the company has several buildings in Montreal and Ottawa, and bonds and other securities that enable it to pay an extra ¼ per cent. dividend each year. This leaves a small surplus and the contingency fund is growing gradually.

PETROLEUM.

There have been no sales of International Petroleum during the week, but the weakness in the market indicated at last report has disappeared to some extent, according to the quotations posted. A week ago $10.50 was being asked with $9.75 bid, whereas on Thursday $12.00 was asked and $11.25 bid; last sales were at $12.00 at the beginning of the month.

RITZ-CARLTON.

The present year is proving by a large margin the best so far for the Ritz-Carlton Hotel Company, of Montreal. Two years ago this fine, new hostelry fell $80,-000 short of meeting its bonded indebtedness out of earnings. Last year this was reduced to $27,000, and this year, THE FINANCIAL POST understands, the deficit on this account will be reduced to $10,000 or $12,000. By the beginning of 1919 it is expected that the earnings of the hotel will be sufficient not only to cover the bond interest but to begin to wipe out the deficits that have accrued since it opened. It will thus be a considerable time, under ordinary conditions, before dividends can be paid, but those behind this enterprise were amply prepared for this before they started. The hotel was built to fill a certain place in the life of the city. The Ritz-Carlton at the present time is entirely occupied and the number of guests this year will show an increase of 15 to 20 per cent. over 1916.

RUSSELL MOTOR.

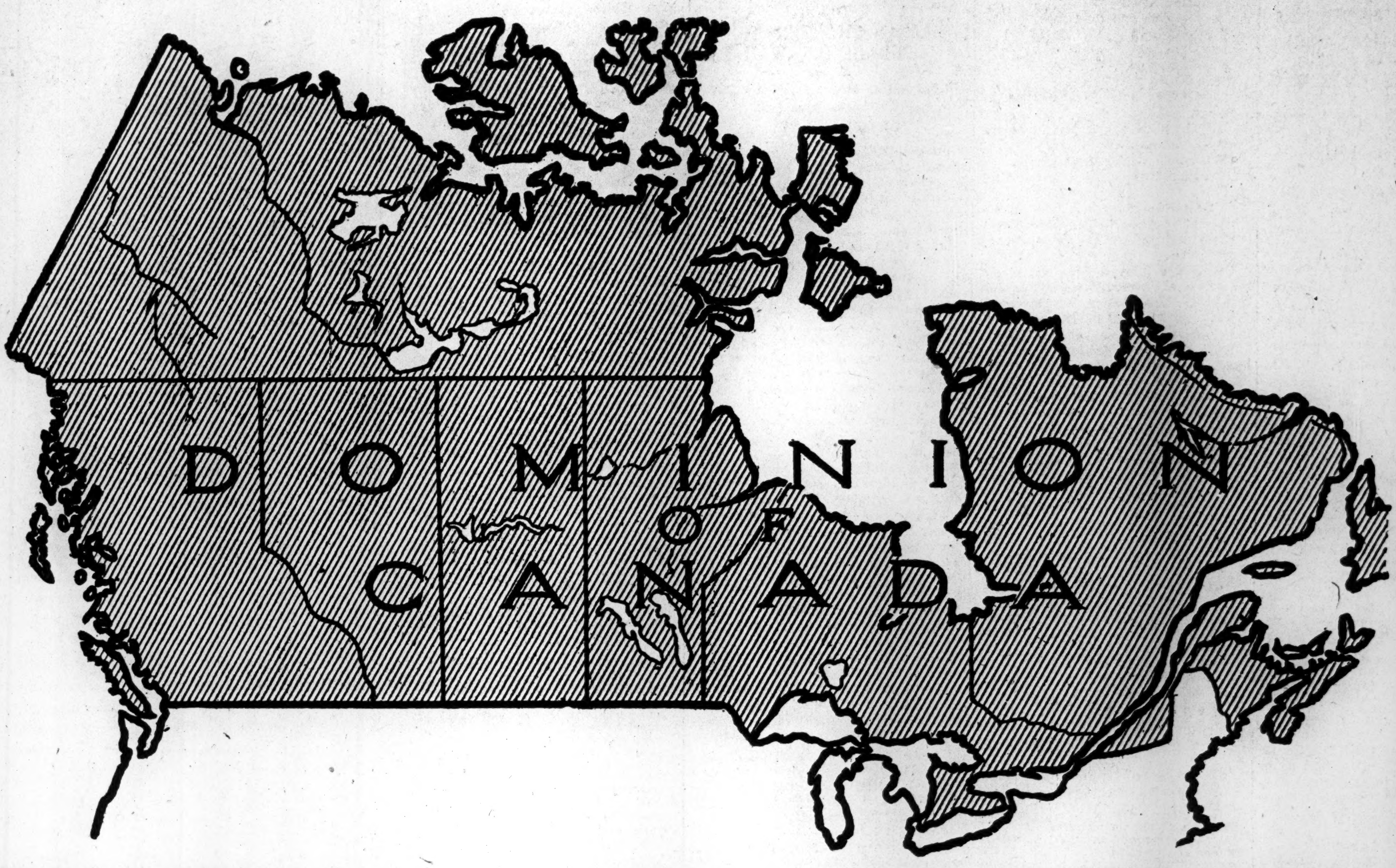
The Willys-Overland Company of Canada, which have been equipping a factory at West Toronto for the manufacture of the Sunbean aeroplane engine, are now ready to proceed with the production of these machines and expect to have the first engine ready in January. The Willys-Overland companies have the sole manufacturing rights for Canada and the United States, and have secured a large order from the Imperial Government for Sunbeam motors, worth over $4,000,000. The Russell Motor Car Co. is interested in this order through its ownership of $1,000,000 of the preferred stock of the Canadian Willys-Overland Co.

WALLACE QUARRIES.

Bondholders of Wallace Sandstone Quarries, Limited, at a special meeting, passed a resolution as follows: (a) To release the "mortgaged premises" from the hypothec, mortgage and pledge with which they are charged as security and to authorize and empower the Trustee to concur with the Company in executing the necessary deeds of discharge for that purpose; (b) To consent to the exchange or conversion of the bonds of the company, together with the coupons thereon maturing June 1st and December 1st, 1917, into 7 per cent. (7%) cumulative preferred stock of the company, the bondholders to receive an amount equal to the par value of their bonds, plus the coupons thereon maturing June 1st and December 1st, 1917, the capital stock of the company being increased by the amount of preferred stock so issued.

WINDSOR HOTEL.

The annual report of the Windsor Hotel Company of Montreal, which is dealt with at length in another column, warrants the comment of the directors as "satisfactory." The net earnings were sufficient to pay the dividend of 4 per cent. and leave over $18,000 to apply to surplus, as compared with a deficit at that stage of $9,852 in the previous year. In addition a mortgage of $10,000 was paid off and repairs amounting to nearly $100,000 were made to the property, which more than offset the average depreciation write-off. The general conditions of the hotel business naturally were unfavorable to trading in the stock by the public of late, and there have been no sales registered for the last three years. In 1914 there were a few at 95, while in the good days of 1913 the stock went up as high as 152½.



THIS IS YOUR SECURITY!

The whole property of every person in Canada is pledged to secure Victory Bonds—both principal and interest.

The security behind Canada's Victory Loan consists of all the resources, developed and undeveloped, and all the assets of all the people of Canada, supporting Canada's promise to pay.

Can you imagine any SECURITY more rock-ribbed in its soundness than the SIGNED PLEDGE of the DOMINION OF CANADA, backed by all its boundless resources?

There is no security so secure; for in it are embraced all other securities. Every farm, every forest, mine, factory, bank, business, every conceivable kind of wealth that exists within the borders of this great Dominion—all this is the SECURITY behind Canada's Victory Bonds.

With this security buyers of the Bonds receive interest at the rate of 5½ per cent. per annum. In ordinary times such an investment as Victory Bonds would be an opportunity. It is an opportunity now.

But NOW—Victory Bonds are more than an opportunity. To buy them is a duty and a privilege. Canadians at home will merely LEND their MONEY—and at good interest. Canadians at the front are GIVING their PERSONAL SERVICES. The money YOU lend will be used in Canada to purchase food and equipment for those Canadians.

Can you hesitate? Of course you are willing to deny yourself—even to borrow—to buy Victory Bonds. Then send in to the Victory Loan Headquarters an APPLICATION to

BUY VICTORY BONDS

Space Provided by:

The Toronto General Trusts Corporation.
The National Trust Company, Limited.
The Trusts & Guarantee Company, Limited.
The Union Trust Company, Limited.
The Canada Permanent Trust Company.
Chartered Trust & Executor Company.
The Imperial Trusts Company of Canada.
Canada Permanent Mortgage Corporation.
Central Canada Loan & Savings Company.
Canada Landed & National Investment Company, Limited.
The Colonial Investment & Loan Company.
Standard Reliance Mortgage Corporation.
London and Canadian Loan & Agency Company, Limited.
Dominion Permanent Loan Company.
Toronto Mortgage Company.
Real Estate Loan Company of Canada, Limited.

DIVIDENDS DECLARED.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Saturday, the FIRST DAY OF DECEMBER next, to Shareholders of record of 31st October, 1917.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1917.

The Canadian Bank of Commerce

DIVIDEND No. 123.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 30th November next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December, 1917. The Transfer Books of the Bank will be closed from the 16th to the 30th of November next, both days inclusive.

By order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th October, 1917.

The Royal Bank of Canada

DIVIDEND No. 121

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after SATURDAY the 1ST DAY OF DECEMBER next, to shareholders of record of 15th November.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., October 16, 1917

The Bank of Nova Scotia

DIVIDEND No. 192.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Wednesday, the 2nd day of January next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.

Halifax, N.S., November 20th, 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1917, payable January 2nd, 1918, to shareholders of record December 15th, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 23rd November, 1917.

Lake of the Woods Milling Company, Ltd.

DIVIDEND NOTICE.

NOTICE is hereby given that quarterly dividends of 1¾% on the Preferred Stock and of 2% on the Common Stock of the Lake of the Woods Milling Company, Ltd., have been declared payable on December 1st, 1917, to Shareholders of record at the close of business on Saturday, November 24th, 1917.

By order of the Board,
R. NEILSON,
Assistant Secretary.

The Sherwin-Williams Co., of Canada, Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the annual general meeting of the Sherwin-Williams Company of Canada, Limited, will be held at the Windsor Hotel (room 129), Montreal, Que., on Tuesday, the 11th day of December, at 2.30 o'clock p.m., to receive a statement of the affairs and financial position of the company, and for the election of directors, and for the transaction of such other business as may come before the meeting.

By order of the Board,
J. H. GORDON,
Secretary-Treasurer.

Montreal, November 15th, 1917.

The Windsor Hotel Company of Montreal

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of 2% on the Paid-up Capital Stock of the Company has been declared, payable on December 1st, 1917, for Shareholders of record on the books of the Company on November 21st, 1917.

JOHN DAVIDSON,
Secretary-Treasurer.

Montreal, November 12th, 1917.

THE RAILROADS U.S. NATIONAL WAR PROBLEM

Need For More Liberal Treatment is Being Urged.

GOVERNMENT OWNERSHIP

Paul Warburg of the U. S. Federal Reserve Board Gives Warning of Danger To War Finance of Depreciating Securities.

The railroad situation in the United States is one of the great war problems intimately connected with the successful prosecution of the struggle. The condition of the great carriers in the Eastern territory, the increasing congestion and the financial inability of the railroads to meet the requirements of transportation because of insufficient revenues are engaging the attention of the Government in a serious way. The problem, of course, is up before the Interstate Commerce Commission for temporary relief, but, in a broader aspect, it must be solved either by financiers and great railroad managers or by the Government taking over the railroads and running them during the war.

As the hearings proceed in the 15 per cent. increase case before the Interstate Commerce Commission the fear of Government ownership is continually expressed by financiers, and many suggestions have been made to cure the existing evil and place the railroads on a solid financial basis, where they can re-equip themselves and be efficient agencies in the war. Government officials do not deny that the railroads must have relief through an increase in rates, but the increase proposed is not enough to supply them fully with revenues for more than a brief time. And at the end of this period, less than six months, no progress will have been made toward permanent improvements and the buying of more locomotives and cars.

In the face of this situation the railroad managers confess they do not know where to turn for more revenues. Therefore, the Interstate Commerce Commission has devoted its attention as much to the future as to the immediate question before it. Many financiers have been called before the commission and plied with questions as to the best course to pursue, and railroad presidents have been asked to offer suggestions that would be of real permanent aid in the pressing situation. Great confusion seems to exist as to what should be done.

Samuel Rea, President of the Pennsylvania Railroad, suggested that the increase be granted and that the Government borrow money at 4 per cent. and loan it to the carriers until the war stress ends. Daniel Willard, while testifying before the commission, offered as a remedy the placing of a war freight rate of 1 cent a pound on each 100 pounds of freight in addition to the increase of 15 per cent. on commodities.

Government Ownership Foreseen.

That Government direction or Government ownership may be the only solution during the war period seems to be greatly feared by men familiar with the purposes of the Government and the pressing needs of the carriers. Frank A. Vanderlip, President of the National City Bank of New York, and also at present a Government official, had this in mind when he testified before the commission. He offered as a remedy that railroads be allowed to form combinations and be controlled by a central board similar to banks.

"So long as railroads are regulated as to rates they should have the advantages of the economies of combination," said Mr. Vanderlip. He said he believed that regional consolidations of railroads would be a great step forward in promoting efficient transportation service. The advance of 15 per cent. in rates would, if granted, he said, assist in restoring the willingness of the public to provide the carriers with new capital, but it would not cure what he described as fundamental faults in the railroad situation.

"Before the situation is cured," said Mr. Vanderlip, "we will either go into the hands of the Government or we will permit the railroads to consolidate under Government direction. The railroads can learn something from the experience of the bankers. They have thought too much of their own problems and have not been thinking nationally. The railroads might well be nationalized in the way our banking system has been nationalized. I should like to put representatives of the Government on these regional railroad boards of directors, representatives of labor and representatives of the public after the fashion of the Federal Reserve Bank directorates."

The Government, said Mr. Vanderlip, ought to control the issue of railroad securities in order that the financial operations of the carriers might be completely under Government supervision.

Mr. Vanderlip said that the railroads face Government ownership unless the public can be convinced that railroad investment is desirable. None of the ordinary methods of obtaining money for the carriers is open except at high rates of interest, he said. The roads need $1,000,000,000 a year for improvements and extensions, in his opinion. Mr. Vanderlip stated that great economies in the handling of traffic would be brought about by regional consolidations. He suggested the feasibility of a single corporation owning all the cars in the country. He asserted that the railroads were not meeting demands for service, and laid emphasis on the fact that service is more important than rates, and that the public is willing, except an extremely selfish part of it, to pay for service when it is rendered.

Warburg Favors Increase.

Paul Warburg of the Federal Reserve Board said that every industry which contributes to the winning of the war should be encouraged and that foremost among these industries were the railroads. Index prices, he said, show an increase of about 100 per cent. in prices since the beginning of the war. Higher interest rates and higher dividends are essential to attract the investing public. The investor is in doubt as to the future of railroads, the quantity of labor available and the price of material. Mr. Warburg said that the public was uncertain about whether or not the railroads would be dealt with generously. In seeking an explanation of this statement Commissioner Woolley said it seemed that the railroad situation was caught in a "vicious circle" if rates must be raised to meet higher wages and higher material prices and raised again as these quantities again advance. Mr. Warburg agreed that this "vicious circle" exists and suggested as a remedy that the Government might have to fix the wages of labor as it has fixed the price of materials.

Mr. Warburg said that the sale of railroad securities had become practically impossible and that he thought the roads should be permitted to obtain revenues which would enable them to keep their properties in as good condition as they were at the beginning of the war. Discussing a suggestion that the railroads conserve their revenues by discontinuing the payment of dividends, Mr. Warburg said that such a policy would be fatal to railroad credit and that it would seriously affect the incomes of that large part of the public which owns railroad securities and upon which the Government depends for a large part of its war revenues. Railroad stocks have declined on an average about 20 per cent. since the beginning of the war, said Mr. Warburg, and this decrease, together with the lessened value of railroad bonds, has brought about a shrinkage in values of about $2,800,000,000.

"Present conditions," said Mr. Warburg, "are such as to demand an increase in railroad revenues."

Mr. Warburg said that a desirable situation would be one in which the proportion of railroad stocks to bonds could be materially increased, with the stocks quoted sufficiently above par to permit the flotation of new issues as rapidly as they might be required for extension and improvement of the roads. He pointed out that at present there were no new issues of railroad stocks and no market for them. He laid stress on the fact that these times are extraordinary; that many ordinary considerations have been waived in the fixing of prices by the Government, and that the principal consideration under war conditions is to attain results rather than to consider prices. If after the war the commission should find the revenues of the roads are too large they could be reduced, he suggested. At present, he said, investors want to buy United States Government bonds to aid the Government in winning the war, exercising a preference that went beyond the mere question of financial return. This makes more difficult the marketing of railroad securities. He expressed the opinion also that while the Government is financing the war industrial issues should be restricted as much as possible.

Mr. Warburg went into only the financial aspects and did not attempt to deal with the technical issues involved, saying in conclusion:

"This leads me to a discussion of another side of this question—the interest of the Government. The successful placing of the Government loans to be issued from time to time, and running into billions, is predicated upon the strength of the general banking situation and the public's confidence in that strength. It has been estimated that national banks, State banks, trust companies, and savings banks together own about $2,000,000,000 of railroad securities. In addition to that these securities form a large percentage of the collateral for their loans. A drastic shrinkage in value of railroad securities, therefore, is naturally a matter of serious concern to all of these institutions and might materially impair their vigor and freedom of action in co-operating with the Government's financial program, and, if permitted to go too far, it may throw an additional burden upon the Government. It is my sincere conviction that one of the main objects of the Government—the successful prosecution of the war—will be considerably helped if greater strength is given to the railroads and if greater confidence in them is instilled into the public mind.

"For reasons which no doubt are apparent it is difficult in a public hearing to express my views fully or in more than a very general way, but in conclusion I do not hesitate to say that present financial conditions appear to me to be such that an increase of the revenues of the railroads seems an urgent necessity for the purpose of sustaining their credit and efficiency, both of which are essential in aiding the Government and the country successfully to master the difficult tasks which are their chief concern at this time."

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending Nov. 22. High	Low	Sales	Close Nov. 22. Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.14½	.12	16,200	.14⅛	.14
Bailey	5,000,000	4,250,000	.05⅛	.05⅛	3,000	.05¼	.05
Beaver Cons.	2,000,000	2,000,000	.30	.28½	8,600	.30½	.29½
Buffalo Mines .. .	1,000,000	1,000,000	...	...	....	...	...
Cham.-Ferland . .	2,500,000	2,312,850	.11	.10	4,550	.11	.10¾
Coniagas	4,000,000	4,000,000	3.15	3.00	360	3.15	2.97
Crown Reserve ...	2,000,000	1,999,957	.22	.21	1,100	.22	.19
Foster	1,000,000	915,588	...	...	....	.05	.01¾
Gifford	250,000	....	.03¾	.03⅛	5,000	.04	.03½
Great Northern ..	1,500,000	1,500,000	.04¾	.04½	2,000	.05	.04
Hargraves	2,500,000	2,500,000	.09¼	.08½	37,400	.09⅛	.09
Hudson Bay	25,000	7,761	...	...	....	.40	...
Kerr Lake	3,000,000	3,000,000	5.20	5.00	120	5.50	5.10
La Rose	7,500,000	7,493,135	.35	.35	500	.40	.35
McKin.-Dar.-Sav. .	2,000,000	2,247,692	.61	.60	16,200	.61	.60⅛
Nipissing	6,000,000	6,000,000	8.05	7.80	270	8.15	7.90
Ophir	685,000	....	.12	.10	35,500	.11¾	.11⅛
Peterson Lake ...	3,000,000	2,401,820	.08½	.08½	100	.09¼	.08
Right of Way .. .	2,000,000	1,685,500	.04⅞	.04⅞	1,000	.05	.04
Seneca-Superior .	500,000	478,884	...	...	....	.02½	.02
Temiskaming	2,500,000	2,500,000	.25¾	.25	18,500	.26	.25⅛
Trethewey	2,000,000	1,000,000	.15	.13	1,609	.13⅛	.11
Wettlaufer	1,500,000	1,416,590	.05	.05	1,000	.06	.05
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,000	.06	.05¼	8,800	.06	.05⅛
Dome Cons.	2,500,000	1,250,000	...	...	....	...	...
Dome Extension. .	3,000,000	2,200,000	.10	.09⅝	4,300	.09¾	.09⅛
Dome Lake	2,000,000	1,227,017	.14½	.13½	1,320	.14¼	.14
Dome Mines	5,000,000	4,000,000	7.00	6.60	3,587	7.00	6.35
Foley-O'Brien .. .	3,000,000	2,500,000	...	...	....	...	...
Hollinger	3,000,000	3,000,000	4.95	4.57	1,465	5.05	4.95
Jupiter	2,000,000	1,867,786	...	...	....	...	...
McIntyre	3,000,000	2,999,995	1.35	1.30	34,674	1.34	1.32
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown..	2,000,000	2,000,000	.22	.21	6,200	.22⅛	.20
Porcupine Imperial	2,000,000	1,409,200	.01⅞	.01¾	4,000	.02	.01⅞
Vipond	1,500,000	900,000	.19	.17½	9,000	.20	.18⅛
Preston E. Dome.	3,000,000	2,000,000	...	...	....	.03⅛	.03
Schumacher	2,000,000	....	...	...	....	.45	.43
Teck-Hughes .. .	2,000,000	2,000,000	.30	.30	2,300	.30	.27
West Dome Con...	3,000,000	2,000,100	.13¾	.13	15,150	.13¾	.13⅛
MISCELLANEOUS—							
Can. Min. & Smelt.	10,000,000	8,427,500	.25	.25	5	.25	...

Barcelona Traction, Light & Power Co., Limited

(Incorporated under the Laws of the Dominion of Canada)

To the Holders of the
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NOTICE IS HEREBY GIVEN that the Coupon Number 5, in respect of the interest due and payable on the 1st of December, 1917, on the 7% Prior Lien "A" Bonds of the Company, will be paid on and after the 1st of December, 1917, at the Bank of Scotland, 30 Bishopsgate, London, England, and as their Agents, at The Canadian Bank of Commerce, 23 King St. west, Toronto, and at the Agency of The Canadian Bank of Commerce, 16 Exchange Place, New York.

Dated this 24th day of November, 1917.

For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED,
R. H. MERRY, Secretary.

ONT. NAT. BRICK BONDHOLDERS ASKED FOR $400,000

This Required to Keep Company Going For Next 18 Months.

ALTERNATIVE IS A SALE

Alternative Is a Sale Which Would Be Disastrous to the Bondholders—Collapse in Building the Cause—Drastic Penalty For Refusal.

The proposed plan of re-organization of the Ontario National Brick Company as announced on Friday of this week provides for a cash payment by the bondholders of $400,000 to enable the business to be carried on until 1919, when it is hoped the war will be over, and building operations revive sufficiently to provide a working basis for the plant.

In return $1,600,000 of bonds and $2,000,000 of common stock now outstanding are to be wiped out, and replaced by $500,000 in 6 per cent. first mortgage bonds and $1,600,000 in common stock. Of the $500,000 the new company will offer $400,000 for subscription, and each bondholder is asked to subscribe for an amount of these bonds equal to 25 per cent. of his present holdings of the old bonds ($1,600,000) and in addition he will be given four shares of the new common stock, the $400,000 in bonds thus securing $1,600,000 in common stock. The plan is made possible by the fact that practically all the old common stock ($2,000,000) is held by bondholders, and was received by them as a bonus.

A rather drastic penalty is provided for the bondholder who does not subscribe to the $400,000 issue: his old holdings will be wiped out anyway. The remaining $100,000 of first mortgage bonds will be held for emergencies, in case the war continues longer than is expected, and building operations are not renewed in time to put the company on its feet again. The payment for the $400,000 bonds is spread over 16 months, 5 per cent. on Feb. 1, 1918; 10 per cent. for each of the next 8 months, and the final 15 per cent. on April 1, 1919.

The alternative is a forced sale of the plant of the company which is practically in liquidation, which would produce a very small amount, so that the bondholders, so far as can be learned, are likely to accept the alternative of putting up the cash to meet $101,326 of present liabilities and for overhead expenses until 1919.

The company has been in operation only for a short period in 1914 and 1915, 11 months when it earned enough to pay bond interest for the period, and a surplus of $5,257 was shown. It was organized in 1913 on the eve of the collapse of building operations. The drop of building in Toronto is assigned as the cause of the failure to make good, as permits dropped from $27,000,000 in 1912 to $6,651,889 in 1915.

EXPORT ASSOCIATION.

R. C. Young Delivers An Address as to Aims and Objects.

"Canada's new opportunities" was the subject of an interesting address given by Mr. R. C. Young, general manager of the Export Association of Canada, before the Montreal Publicity Association.

At the conclusion of his address several members put questions to the speaker regarding various products of the Dominion, and also as to what the organization he was connected with had done to foster an export trade.

To this Mr. Young said that in 1916 840 orders, valued at over $1,000,000, of export trade had been obtained through the Export Association.

He had spent three and a half months in South Africa, had brought back two of the leading business men of that country who had placed several big orders, and he himself had placed over thirty agencies for members of his organization. "If," he said, "Canadian manufacturers only send representatives to other countries to place their goods before the business men there they will receive a most cordial reception and business orders that will surprise them."

The Ford Motor Co. in October produced 79,675 cars. In the past six months' production has been 469,135 or at the rate of 938,000 cars per annum. Schedule production for the year has been placed at 900,000 or about 3,000 a day.

The Ford Motor Co. has received an order for 5,000 Liberty motors, and negotiations are pending for the production of other war materials.

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MONEY, BANKING AND EXCHANGE

CLEARINGS IN WEST CONTINUE TO INCREASE

Eastern Cities Show an Improvement Over Previous Week.

GAIN FOR DOMINION 3.1 %

Montreal, Toronto, Moose Jaw and Medicine Hat Only Cities to Show a Falling Off. Sherbrooke and Fort William Show Largest Gains.

For the week ending Thursday last, returns of bank clearings made officially to THE FINANCIAL POST amounted to $280,790,944 against $272,156,219 for the corresponding period in 1916 and $270,847,213 in the previous week. The increase over the figures for last year is $8,634,725 or 3.1 per cent. In the West the clearings totalled $115,162,522, an increase of $16,928,409 or 17.2 per cent. and a gain of 73,743 over the previous week. Eastern cities show an improvement over the figures for last week, but show a falling off as compared with last year's figures. For the week the amount was $165,628,422, against $173,922,106 in 1916.

Toronto and Montreal were the only cities to show a decline in the East, and Moose Jaw and Medicine Hat in the West. Fort William reported the largest percentage gain of 38.9 per cent. Vancouver came next with a gain of 38.4. In the East Sherbrooke shewed a gain of 54.9 per cent. For the year to date the amount is $11,274,396,333, an increase of $2,131,876,009 or 23.3 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

	Nov. 22, 1917.	Change.	%
Montreal	$ 81,065,009—	$ 10,741,700	11.7
Toronto	57,985,769—	321,443	.5
Ottawa	5,749,906+	228,670	4.1
Hamilton	5,264,838+	619,643	13.3
Quebec	4,975,461+	662,761	15.3
Halifax	3,101,750+	261,170	9.2
London	2,098,598+	120,358	6.1
St. John	2,063,207+	103,226	5.2
Brantford	960,201+	172,721	22.1
Peterboro	766,460+	122,131	19.0
Sherbrooke ...	842,641+	296,787	54.9
Kitchener	754,582+	181,992	31.9
Total, East..	$165,628,422—	$ 8,293,684	4.4

Western Cities.

	Nov. 22, 1917.	Change.	%
Winnipeg	$ 75,708,426+	$ 8,903,577	13.3
Vancouver ...	10,046,308+	2,786,855	38.4
Calgary	10,598,371+	2,901,956	37.7
Edmonton	3,768,806+	814,298	27.6
Victoria	1,864,456+	264,456	16.5
Regina	4,645,050+	653,974	16.7
Saskatoon	2,651,604+	237,897	9.8
Moose Jaw ...	1,792,547—	75,917	4.0
Ft. William ..	1,002,512+	280,535	38.9
Brandon	832,394+	142,685	20.9
Lethbridge ...	1,139,115+	37,943	3.4
N. Westm'ster.	394,064+	66,136	20.6
Medicine Hat..	718,869—	85,986	10.7
Total, West.	$115,162,522+	$ 16,928,409	17.2
Grand total.	$280,790,944+	$ 8,634,725	3.1
Yr. to date.	$11,274,396,333+	$2,131,876,009	23.3

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending November 15 aggregate $6,434,702,000, against $6,190,120,000 last week and $6,982,563,000 in this week last year, a decrease of 7.8 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	Nov. 15	I. or D.	Nov. 8
New York...	$3,499,775	D 21.7	$3,487,497
Chicago	522,144	I 7.3	496,907
Philadelphia.	386,273	I 20.5	322,200
Boston	292,100	I 1.4	265,420
St. Louis....	171,822	I 24.7	.158,629
Kansas City.	213,765	I 70.2	192,276
S. Francisco.	113,452	I 19.3	95,337
Pittsburgh ..	82,868	I 9.3	73,832
Cleveland ...	80,170	I 15.3	70,748
Detroit	56,750	D 8.5	48,052
Baltimore ..	51,281	I 4.0	44,270
Cincinnati ..	40,916	D 1.0	38,175
Minneapolis..	41,183	D .8	46,450
New Orleans.	48,198	I 13.7	51,239
Los Angeles.	30,219	I .3	29,384
Omaha	46,055	I 61.4	54,694
Milwaukee ..	30,520	I 9.0	29,514
Atlanta	57,950	I 77.4	54,964
Louisville ..	21,953	I 11.0	19,262
Richmond ..	39,826	I 55.6	45,001
Buffalo	23,255	I 19.4	19,513
Seattle	29,907	I 35.7	26,783
St. Paul	18,136	D 10.4	18,799

EXCHANGE.

New York funds have ruled fairly steady all week. From 1/32 premium to the buyer they went as high as 1/32 to the seller, but were back at 1/32 to the buyer yesterday. There has not been any marked activity in funds. The effect of the United States war orders placed in Canada will not begin to be felt until the time comes for making settlements.

Demand sterling has been stronger. A week ago it ranged between 4.7615 and 4.7617½. Yesterday the range was 4.7617½ to 4.7620. Francs have also been firmer, demand advancing from 5.75¾ to 5.73⅝ and cables from 5.75¼ to 5.71½. Roubles, on the other hand, have been a little weaker, dropping from 13.00 to 12.50 for demand and from 13.25 to 12.75 for the week.

MONEY.

Money on call in London has been firm at 4 per cent. In New York the ruling rate advanced from 4 to 5 per cent. during the week and was at 4¾ per cent. on Thursday.

With reference to the new shell contracts placed in Canada by Washington it is thought they will be easier to finance than the British contracts for similar material. As the United States Ordnance Department is to furnish a considerable part of the raw material, presumably the Canadian banks carrying the munitions companies' accounts will not be required to provide exchange to cover the preliminary imports of steel and of parts. If the Imperial Munitions Board assumed full responsibility for the placing of this material with reliable manufacturers it would seem that the United States Government, so to speak, might on receiving suitable guarantees lend the raw material, etc., to the Canadian concerns and deduct payment therefor from the shell settlements.

The banks are apparently proceeding without difficulty with the financing of the Western Canadian wheat crop. There are no reports of stringency on shortage of credits. Earlier in the season some of the grain dealers in direct contact with the farmers complained of the delay encountered in the taking over of their purchases by the Wheat Export Company, but evidently this detail has been adjusted to the satisfaction of those buying at country points.

UNION.

Cecil Cole of the Wolseley, Sask., branch of the Union Bank of Canada, has been transferred to the branch at Arcola.

IMPERIAL.

The Imperial Bank of Canada announce the discontinuance of their branch at Athalmar, B.C., on November 1.

NOVA SCOTIA.

The Bank of Nova Scotia has declared a dividend on the paid-up capital at the rate of 14 per cent. per annum for the quarter ending Dec. 31st. It is payable on Wednesday, Jan. 2nd next, to shareholders of record Dec. 15th. The stock transfer books will be closed from the 17th to the 31st proximo, inclusive.

LARGE WITHDRAWALS.

Deposits in Dominion Government savings banks during October totaled $172,417, compared with $154,696 in the previous month. Withdrawals were large, however, amounting to $207,248, compared with $169,417 in September, leaving a balance on Oct. 31 of $13,403,232, compared with $13,440,164 on Sept. 30.

MONTREAL.

A. L. Hagerman, of the Bank of Montreal at Lindsay, has been transferred to the branch at Bowmanville.

SWEDISH BANKS.

Combined net profits reported by Swedish banking corporations in 1916 were $24,610,440, compared with $13,228,480 in 1915 and $13,768,400 in 1913. The greater part of the increased profits has been used for purposes of consolidation. Altogether $13,048,920 was distributed in dividends, as against $11,448,960 in 1915 and $11,071,080 in 1913. The reserve funds have obtained from the profits $3,225,112, as compared with $779,880 and $1,490,240 in 1915 and 1913, respectively, while the contingencies funds have received $5,601,200, as against $1,184,560 and $1,136,320, respectively. To the 1917 accounts have been transferred $2,795,240, as compared with $333,040 and $361,800 in the other years named, evidently in recognition of the fact that the year 1916 was an exception from the monetary point of view and that bad times are impending.

MOLSONS.

Molsons Bank has declared its regular quarterly dividend of 2¾ per cent.

BANK OF ENGLAND.

The weekly statement of the Bank of England shows the following changes:—

Total reserve, increase £137,000; circulation, increase £114,000; bullion, increase £250,979; other securities, increase £1,855,000; other deposits, increase £2,085,000; public deposits, decrease £49,000; notes reserve, increase £279,000; Government securities, increase £14,000.

The proportion of the bank's reserve to liability this week is 19.32 per cent.; last week it was 19.48 per cent.

Rate of discount, 5 per cent.

SAFETY FOR SOLDIERS.

American Banks' Patriotic Service to Fighting Men.

"Every effort should, at this time, be put forth to make the men serving under the Stars and Stripes realize that we here at home are intensely interested in their welfare and want them to come back to us even better men than when they left."—W. D. Longyear, vice-president of the Security Trust & Savings Bank, Los Angles, Cal.

In this admirably specific sentence Mr. Longyear explains the patriotic service which his bank has extended to America's fighting men. It is outlined in an attractive booklet entitled, "Security Service for Soldiers and Sailors."

The Los Angeles Bar Association has co-operated with the bank in an agreement to prepare wills without charge for any man in the army or navy.

"If any soldier or sailor will furnish us with a memorandum (no matter how roughly drawn) of the way he wants to dispose of his estate, we will have it promptly re-drawn in legal shape by a competent attorney of this city, and send it back with careful instructions for its execution," says the booklet to the drafted and enlisted men. "Then you can forward it to us for safe keeping without charge."

The institution offers to act as executor of the will, but volunteers to prepare the will just as carefully and without cost if the men prefer to name anyone else.

Free use of the vaults of the trust department is given the boys in khaki for the safe keeping of certain kinds of papers and documents. The boys are also urged to send other prized possessions, such as diplomas, certificates, medals, souvenirs, photographs or any small articles by registered mail the return postal receipt being their receipt for the package.

At nominal rates, the bank is acting as agent for many of the men—for the collection of insurance and the transaction of any personal business. The message likewise emphasizes the importance of saving part of the army and navy pay, illustrating how deposits of $25 per month will grow at 4 per cent. interest.

FEDERAL RESERVE BANKS.

Large Increase in Deposits Shown by Weekly Report.

Payments to reserve banks of the 18 per cent. installment on account of the second Liberty Loan and redemptions of 300 millions of certificates of indebtedness are reflected to some extent in the weekly bank statement issued by the Federal Reserve Board as at close of business November 16, 1917.

These operations affect Government deposits, which show an increase of 159.7 millions; members' reserve deposits, which increased about 73.5 millions during the week, and most of all uncollected items, i.e., cheques and drafts on banks both within and outside the districts deposited with Federal reserve banks, which show an increase for the week of 156.7 millions. Aggregate gold holdings of the reserve banks show a further increase of about 11 millions, while their Federal reserve note circulation increased by about 40 millions.

The New York bank reports a decrease of 14.4 millions in reserve and an increase of 23.8 millions in reserve deposits mainly from payments of reserves by newly admitted members, and decreases in both Government and non-members' clearing deposits.

The undersigned beg to announce that they have admitted to partnership

Mr. J. D. McNabb, C.A.

and will carry on business as Chartered Accountants, Auditors and Liquidators under the style and firm name of

Robertson, Robinson, McNabb & Co.

at the undermentioned offices as heretofore.

ROBERTSON, ROBINSON & COMPANY

TORONTO 24 King St. W. HAMILTON Sun Life Building CLEVELAND Citizens Building

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Authorized - - $ 25,000,000
Capital Paid Up - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - 300,000,000

HEAD OFFICE, MONTREAL.

365 Branches in Canada and Newfoundland.
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando and Scarborough (Tobago); BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND Bank Bldgs., Princes St., E.C.

NEW YORK CITY Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

CHRISTMAS will soon be here, and what more appropriate gift could be selected than a

VICTORY LOAN BOND

The unique conditions prevailing make such a gift especially attractive to wife or child.

(Space contributed by Montreal Trust Company)

THE ROYAL TRUST COMPANY

EXECUTORS AND TRUSTEES

HEAD OFFICE, MONTREAL.

Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir H. Montagu Allan, C.V.O., Vice-President.

R. B. Angus, E. W. Beatty, K.C., A. D. Braithwaite, E. J. Chamberlin, H. R. Drummond, Sir Charles Gordon, K.C.B.E., Hon. Sir Lomer Gouin, K.C.M.G., C. R. Hosmer, Lt.-Col. Bartlett McLennan, D.S.O., William McMaster, Major Herbert Molson, M.C., Lord Shaughnessy, K.C.V.O., Sir Frederick Williams-Taylor

A. E. Holt, Manager

TORONTO BRANCH - - - - - - - - 59 YONGE ST

BRUCE L. SMITH - - - Manager

WILL MAKING

This is something the average human being dislikes doing; and yet how necessary it is if we would dispose of our Estate as we would wish, instead of permitting the law to dispose of it for us.

The making of the Will now, won't accelerate death a single day, but rather tend to make us satisfied with an act timely and properly done.

The corporate Executor is the only ideal Executor. Consult with us. Will forms free.

THE STANDARD TRUSTS COMPANY

346 MAIN STREET - - - - WINNIPEG

The impartiality of the acts of a TRUST COMPANY and its freedom from improper influences are some of the advantages offered by

THE MANAGEMENT OF ESTATES

We will gladly discuss this matter with you.

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Mercantile Trust Company of Canada

LIMITED

Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.

We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

THE EMPIRE LOAN COMPANY, Winnipeg, Man.

Transfer of Shares

Incorporated Companies should use the services of a Trust Company for the transfer of their share certificates. The services of this Corporation as Stock Transfer Agent will be found most convenient and reliable. Write for particulars as to charges, etc.

THE TORONTO GENERAL TRUSTS CORPORATION

Established 1882 Capital and Reserve, $3,250,000.00

Head Office: 83 Bay Street, Toronto

NEWS AND VIEWS FOR MANAGERS

THE FRIENDLY APPROACH FOR THE FARM ACCT.

How Successful Managers Get Acquainted in the Community.

SALES AND "BUN FEEDS"

These Are Only Two of the Ways of Establishing Friendly Relations and Getting the Farmer Into the Desired Frame of Mind.

The political candidate who is given credit for kissing all the babies in his constituency and shaking his hand into a state of "friendship paralysis" on his patrol of the back concessions really knows a great deal of the day to day experiences of many bank managers who are making success of their bank's business in a community where farmers' savings accounts are sought. I have talked with a number of bankers who have risen in their sphere of activity by the savings accounts route and they are unanimous in the opinion that if you want to know the farmer you have got to let him know you—in many cases even make him know you. Opinions differ as to how far aggressive tactics may be carried but they are one as to the necessity for the establishment of free and friendly relations as a foundation. Furthermore a close study of the farmer's everyday problems and affairs is necessary if the banker is to establish those necessary free relations; the farmer will deal with the bank where he is not only on good terms but where he feels that his business is understood. Here is a little story by way of illustration; it was told me by a manager in a city in Western Ontario which serves a large stock raising territory:

"You ask about the effect of impressing the farmer with your knowledge of his affairs? Well, shortly after I took charge of this office, when I knew very little about either farms or farmers, I went out to a sale a few miles down the line. While driving through a nearby village we passed a weigh scale. When just opposite the flimsy structure I heard someone mention a weight. The figure stuck in my mind and was later recalled when I heard a lot of the live stock professionals talking about a certain high class heifer to be offered. When the animal was brought out I heard it remarked that she had been weighed a short time before and this started a little guessing contest. With the condescension sometimes shown a guest who is supposed to have little or no knowledge of the matter in hand I was asked to make my say. The surprise came when it turned out that I was only a couple of pounds out—I made a slight allowance for appearance—and much closer than the live stock men themselves. I could see some of the old fellows open their eyes a bit and it helped me a lot to get in with that crowd. I have laughed with them since about it but it certainly put me on a footing that day which would have been difficult to establish otherwise."

The idea of course is not to recommend bank managers to hide behind weigh scales. The incident merely illustrates how this manager—a city man with no farm knowledge and his youth against him, it may be added—seized every opportunity to get on friendly terms with the members of the farming community in which he was working. From him and from other managers in the same city, I learned much of how the banker may work his way into a place in the rural community.

Clerking at Sales.

Acting as clerk at auction sales is one of the methods which has been successfully followed by more than one branch manager. This does not, I am informed, result in much direct business. "That is not the idea," said one of the managers who in the sale season is certain to have one or two a week on his calendar pad. "I go out to meet the people attending these events, for they are recognized gathering places of a certain social as well as business status on the countryside. Further when I act as clerk I give the impression of a willingness to give assistance and of a knowledge of the practical small affairs of the average farmer's routine business, which is an important factor for the establishment of that confidence so necessary for ideal relations between the man of the land and the man of business or finance."

But clerking at sales is one of the few "business" methods by which these managers have established their more or less confidential relations. Efforts are more generally along the social line. One, who has been many years in his branch, who has a most engaging personality and who is on a friendly footing with the farmers for miles around told me of some of his efforts in this direction—efforts which are becoming almost habits with him.

At the "Bun Feed"

"I never miss an opportunity to get out and meet the farmers in their own environment," he said. "I try to be present at gatherings of all kinds—garden parties, church socials, weddings—when I am well enough known—and, yes, even funerals. At the so-called 'bun feeds' I never miss an opportunity to get up and make a few remarks, just to let the people know that I am present and that I have an interest in their affairs."

"Have you ever felt that there was any resentment," I asked "that the crowd might think you were looking for business."

"No," he replied, thoughtfully. "No. I have never even seen anything that ever made me think of such a thing. The average farmer is most hospitable when you are his guest whether it is in his own home or at a function in his district where he considers himself more or less officially as a host. It is really a pleasure to be with them and to feel the sincerity of their welcome, but of course one can get enough of most anything."

This manager was still discussing his relations with the farmers of the district when an automobile drove up to the door. It was after closing time. "Well I'm off, he said, as he reached for his serviceable fur coat—sorry I can't talk further with you on a subject which is of more interest to me than I thought when we started to discuss it."

"What is the trip," I asked, scenting that he was starting on a mission that would indicate that he practised his preaching; and I was right:

"Oh! So-and-so is going out to sell a piano and I am going along." And I don't think he went for the sake of the ride.—J. W. T.

BANK'S STATEMENT REFLECTS WAR FINANCING

Some Interesting Changes Shown in City and District's Return to September 29.

Special to The Financial Post.

MONTREAL.—A return to the Dominion Government of the Montreal City and District Savings Bank on Sept. 29, 1917, in comparison with the statement issued to the shareholders on Dec. 31, 1916, shows changes significant of the attitude of the banks toward government requirements for war purposes.

The cash in hand and on deposit in chartered banks in 1917 was $5,535,809 or over $400,000 more than at the end of 1916, when the total was only $5,171,644. So, too, the investment in Dominion and Provincial Government bonds on Sept. 29 of the present year was $5,555,008, or over $1,000,000 more than last year when the amount was $4,416,175. As might be expected the investments in other bond issues, municipal and school, have changed little, the figures comparing for this year and last as $14,988,540 to $14,741,958. Call and short loans secured by collateral dropped from $8,438,842 to $7,925,528, or about one-half the increased investment in Government bonds. The value of bank premises has increased by $60,000. The total assets grew from $35,011,568 to $36,308,983.

In the liabilities deposits are shown to have increased from $32,098,708 to $33,442,252, nearly $1,350,000, and this explains the ability of the bank to increase its holdings of Government bonds, in addition to the source of funds made available by the calling in of some of the loans. Other than this, the liabilities remain much as they were, the total to the public amounting to $33,841,653 as compared with $32,489,260 last year.

NEW WALL STREET BANK.

Leading Officials Well Known in Canadian Banking Circles.

Special to The Financial Post.

NEW YORK.—The formal opening of the American Foreign Banking Corporation's headquarters, 56 Wall Street, which was announced by the distribution of announcement cards this week, is chiefly interesting in Canada by reason of the fact that the two chief executive officers are former Canadian bankers. At the head of this new institution, a strong organization for the financing of international banking and commercial business, is Archibald Kains, president: Hayden B. Harris and Thomas Frederick Aspden are vice-presidents.

Mr. Kains has had a long experience in banking, having served in the Canadian Bank of Commerce for 25 years, entering the employ of that bank in 1882, while Mr. Aspden has for some years been with the same institution as supervisor in charge of foreign accounts and international relations.

Mr. Harris is a Chicagoan. He is a son of the late N. W. Harris, of N. W. Harris and Co., bankers, the premier American house in the Canadian municipal bond field.

PUZZLE REGARDING GERMANY'S FUNDS

Question as to What is Happening to Money in Hands of Official Trustee.

The question raised in a recent leader in the *Pall Mall Gazette*: "What is happening to the German funds lying in the hands of the official trustee?" is not only pertinent and opportune, says a British banker, but it suggests several other points of considerable interest and importance, not only to the banking community, but to the public at large. Our method of dealing with enemy interests—especially financial interests—leaves much to be desired, and the United States, profiting by our experience, or, rather, shunning our example, are handling the matter in a much more drastic and practical manner.

Take, for example, the collection or payment of coupons on foreign bonds and drawer bonds held in England for account of enemies. There are in vogue three methods of dealing with such coupons: (1) They are collected and the proceeds paid to the public trustee; (2) they are collected and the proceeds remain in the hands of the bankers; and (3) they are not collected at all, but left dormant.

The Trading with the Enemy Amendment Act (July, 1915), is responsible for the dangerous elasticity, and, indeed, the existence, of the last two methods. As regards the second method, the Act does not make it compulsory for the banks to pay the dividends to the public trustee, but simply states that the public trustee may call upon the banks to pay the proceeds to him.

Option of the Banks.

As regards the third method, the Act leaves it to the option of the banks whether the dividends on foreign and drawer bonds shall be collected or not. These dividends can be left undrawn to the end of the war if the bank so desires, in which case they would revert to the enemy.

It is obvious that under both these methods the treasury is a serious loser. The rule should be absolute that all such dividends received by bankers on these accounts should be paid over to the public trustee without delay. It is contrary to all sound business practice and principle that the banks should retain and use these moneys free of charge, and so deprive the treasury of much-needed funds.

This latitude enjoyed by the banks is all the more remarkable because, under the Act of November, 1914, the dividends on all registered securities, shares, etc., must be paid over to the public trustee. Why this distinction? The amount of foreign bonds belonging to enemies in the hands of London banks must be many times greater than that of registered securities. The case against the anomalous distinction is, therefore, all the stronger.

It is equally in the interests of the country that it should be compulsory that all dividends or drawer bonds should be collected as they fall due and the proceeds paid immediately to the public trustee, to be invested by him in the war loan, and so help to finance the war and reduce the taxpayer's burden. It is an open secret that several banks have not collected any dividends on these enemy holdings in foreign bonds since the outbreak of the war.

A Further Loss.

A further loss is inflicted on the country by the third method. When dividends are collected, income tax is deducted. Non-collection, therefore, naturally means the non-payment of income tax. As the income tax on these dividends is 25 per cent. a considerable sum is consequently lost to the exchequer.

A remarkable point has arisen in connection with this tax. In peace times foreigners are exempted on production of the necessary affidavits, but during the war the tax is deducted. Most people would take it for granted that this deduction would be retained by the treasury, but it is understood on good authority that the public trustee proposes to reclaim all such deductions on account of income tax and to hold the money for the benefit of the enemy until the end of the war, when apparently he will be credited with the dividend in full. Comment is superfluous.

The total amount involved in these and cognate transactions can only be estimated approximately. It runs into very big figures. But the main point is that the methods permitted by the Act really deprive us of the opportunity of using the funds lying ready to our hands in financing the war.

American Federation of Labor, by vote of 21,579 to 402, endorses action of Samuel Gompers in organizing the American Alliance for Labor and Democracy to combat pro-Germanism and pacifism in the ranks of organized labor.

RECONSTRUCTION OF INDUSTRIES

Recommendations of British Council Appointed to Inquire Into the Whole Situation.

The British Council for the Study of Industrial Reconstruction have drafted a scheme, of which the following are the heads:—

(1) A vocational franchise, which would make possible the organization of each trade separately under a trade council, composed of capital and labor. The decentralisation of a large proportion of national work now attempted by Government Departments.

(2) A Government Department should be established to promote or encourage trade. Its first functions should be to create representative trade councils in every trade. It should be assisted by an advisory council, consisting of the chairmen of all the trade councils. It should comprise special departments for:— (a) Export and tariffs. (b) Industrial and scientific research. (c) Commercial education. (d) Statistics and finance. (e) Welfare. (f) Exhibitions and advertising.

(3) Every qualified man and woman should have the right to register as a voter with some approved union or association or Chamber of Trade.

(4) Every trade union, association, society or chamber should have the right to become an approved society for the purpose of keeping a register of voters of its trade. These bodies would thus become electoral colleges for the trade councils. They would maintain their existing constitutions and carry on their varied objects as now. Their freedom of action for their own purposes would not be fettered, but they would be used for the purpose of industrial or vocational registration.

(5) A council in each trade should be elected triennially, and would consist of three classes of members:—(a) Members elected by trade associations. (b) Members elected by trade unions. (c) Aldermen elected by the council on the nomination of Government Departments.

(6) A very large proportion of the work now badly done by various Government Departments could be delegated to these trade councils, and would be more effectively performed. Reconstruction work, which, largely depends upon industrial prosperity, could be undertaken by these councils with a better prospect of success than it would have in any other way.

Generally, the scheme involves the establishment of a complete new system of trade government, comparable with our existing system of local government, with a Ministry at the head with powers similar to those of the Local Government Board, controlling numerous Trade Councils with powers comparable to those of existing County Councils. It recognizes the essential principle that industrial interests should be grouped by trades and not by localities.

BANKS AND PIG CLUBS.

An Example of Aggressive Banking Methods in the U. S.

Calf and pig clubs for boys and girls have been organized through the co-operation of local bankers in five counties of New York State, according to a statement from the State College of Agriculture.

Under the plan of organization the local banks advance money for the purchase of pure bred calves or pigs, taking promissory notes from the boys and girls, who agree to care for the animals under instructions furnished by the State College of Agriculture. When the animals are sold the interest bearing notes are paid at the bank and the profits belong to the boys and girls.

Local breeders associations, farm bureaus, and other organizations are often interested in these live stock clubs and prizes and awards of merit are given at local fairs, or at the time the animals are sold, to the youngsters who have best records in caring for their animals.

According to F L. Griffin, of the State College of Agriculture at Cornell University, who has charge of the educational side of this work, livestock projects are one of the best means of building up community interest in better live stock and of training young people to be good farmers. The bankers who co-operate in this movement feel that they are not only helping their own business, but also contributing to the important work of building up the nation's food supply at a time when every effort is needed.

MARITIME SHIPBUILDING.

Big Demand for Wooden Vessels Which Promises To Continue.

Special to The Financial Post.

HALIFAX. — Newfoundland has taken more than 20 of the new vessels built in Nova Scotia this year, and from 20 to 25 old vessels, the latter chiefly of small tonnage. Ten vessels have also been sold to other countries. Thirty three-masters are now on the stocks in Nova Scotia besides smaller craft, and next season's launchings promise to be the greatest in number and tonnage of any year within recollection. One Nova Scotia vessel has gone to Chili and two others to Australia.

Even if the war should end to-morrow, says Mr. Warren, an expert in shipping, we would still have a good many years of high freights, for every part of the world is in such need of commodities and so many steamships have gone to the bottom that there is no possibility of the supply of shipping exceeding the demand for a few years. It takes eight months to build a wooden ship, so even with all working the output will be moderate in volume as compared with the demand.

BANK OF MONTREAL

ANNUAL STATEMENT

Statement of the Result of the Business of the Bank for the Year ended 31st October, 1917

Balance of Profit and Loss Account, 31st October, 1916		$ 1,414,423.9
Profits for the year ended 31st October, 1917, after deducting charges of management, and making full provision for all bad and doubtful debts		2,477,969.0
		$ 3,892,393.0
Quarterly Dividend 2½ per cent. paid 1st March, 1917	$ 400,000.00	
Quarterly Dividend 2½ per cent paid 1st June, 1917	400,000.00	
Bonus—1 per cent. paid 1st June, 1917	160,000.00	
Quarterly Dividend 2½ per cent. paid 1st Sept. 1917	400,000.00	
Quarterly Dividend 2½ per cent. payable 1st Dec. 1917	400,000.00	
Bonus—1 per cent. payable 1st Dec., 1917	160,000.00	
	$ 1,920,000.00	
War Tax on Bank Note Circulation to 31st Oct., 1917	160,000.00	
Subscriptions to Patriotic Funds, $73,500 of which paid	47,500.00	
Reservation for Bank Premises	100,000.00	
		2,227,500.0
Balance of Profit and Loss carried forward		$ 1,664,893.0

GENERAL STATEMENT—31st October, 1917

Liabilities

Capital Stock			$ 16,000,000.0
Rest		$ 16,000,000.00	
Balance of Profits carried forward		1,664,893.08	
		$ 17,664,893.08	
Unclaimed Dividends		3,640.50	
Quarterly Dividend, payable 1st December, 1917	$400,000.00		
Bonus of 1% payable 1st December, 1917	160,000.00		
		560,000.00	
			18,228,533.58
			$34,228,533.58
Notes of the Bank in circulation		$ 29,308,086.00	
Balance due to Dominion Government		13,638,962.36	
Deposits not bearing interest		71,114,641.55	
Deposits bearing interest, including interest accrued to date of statement		246,041,786.81	
Deposits made by and Balances due to other Banks in Canada		4,147,482.91	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		496,621 28	
Bills payable		1,024,346.75	
			365,771,927.6
Acceptances under Letters of Credit			3,335,499.5
Liabilities not included in the foregoing			644,275.82
			$403,980,236.6

Assets

Gold and Silver coin current		$ 20,592,891.86	
Dominion notes		30,760,233.25	
Deposit in the Central Gold Reserves		14,500,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$16,629,089.91		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	100,610,214.54		
		117,239,304.45	
Dominion and Provincial Government Securities not exceeding market value		28,573,322.12	
Railway and other Bonds, Debentures and Stocks not exceeding market value		12,571,625.43	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		33,455,254.64	
Notes of other Banks		1,494,676.00	
Cheques on other Banks		17,111,090.06	
			$276,298,[illegible]
Current Loans and Discounts in Canada (less rebate of interest)		$ 97,607,404.98	
Loans to Cities, Towns, Municipalities and School Districts		11,415,383.61	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		10,045,811.81	
Overdue debts, estimated loss provided for		371,629.30	
			119,440,22[illegible]
Bank Premises at not more than cost (less amounts written off)			4,000,000.0
Liabilities of Customers under Letters of Credit (as per Contra)			3,335,499.5
Deposit with the Minister for the purposes of the Circulation Fund			790,000.00
Other Assets not included in the foregoing			116,109.55
			$403,980,236.64

VINCENT MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

To the Shareholders of the Bank of Montreal:

We have checked the Cash and verified the Securities of the Bank at the Chief Office and at several of the Principal Branches at various times during the year, as well as on 31st October, 1917, and we found them to be in accord with the books of the Bank. We have obtained all information and explanations required, and all transactions that have come under our notice have, in our opinion, been within the powers of the Bank. We have compared the above Balance Sheet with the Books and Accounts at the Chief Office of the Bank and with the certified Returns received from its Branches, and we certify that in our opinion it exhibits a true and correct view of the state of the Bank's affairs according to the best of our information, the explanations given to us, and as shown by the Books of the Bank.

Montreal, 20th November, 1917.

J. MAXTONE GRAHAM,
JAMES HUTCHISON,
GEORGE CREAK,
Auditors.
Chartered Accountants.

THE HOME BANK OF CANADA

Notice of Quarterly Dividend

Notice is hereby given that a Dividend at the rate of five per cent. (5%) per annum upon the paid-up Capital Stock of this Bank, has been declared for the three months ending the 30th of November, 1917, and that the same will be payable at the Head Office and Branches on and after Saturday, the 1st day of December, 1917. The Transfer Books will be closed from the 16th day of November to the 30th day of November, 1917, both days inclusive.

By order of the Board,

J. COOPER MASON,
Acting General Manager.

Toronto, October 24th, 1917.

I Want a Partner With $10,000

Mine is a growing business manufacturing a staple household article. There is a practically unlimited future for this line in Canada. I need $10,000 more capital and an active partner. Selling experience would be a decided asset but is not absolutely necessary. Salary and division of profits to be arranged.

Write for particulars or interview in Toronto to

Box 339, Financial Post, Toronto

BULK SALES ACT.

Interesting Case of Removal of Retail Stock.

Halifax has had a notable example of how the Bulk Sales Act can be brought into play and do good work. In a certain shoe store, in Halifax, the agent of an estate which had an interest in it, in looking into affairs, found that stock valued at $12,000 or $15,000 was not on the shelves and that there was no record on the books of it having been sold. The manager of the store was away and as no explanation was forthcoming the conclusion was that something was wrong. The Bulk Sales Act provides that no sales in block of stock shall be made without some reference to the creditors. Acting on the supposition that the goods must have been disposed of in this way, in violation of the act, the police were furnished with search warrants and some shoe stores in the city were searched.

THE FINANCIAL POST
OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - - R. G. DINGMAN

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Toronto, November 24, 1917.

WHAT WE OWE THE WAR.

WITH scarce a home that has not suffered its share of anguish it may sound brutal to ask what we owe the war. And yet from the standpoint of cold economics there is an answer which has an appeal from the business as well as from the sentimental standpoint in connection with our duty to the Victory loan.

The last government bank return showed that there was in the savings accounts of the Canadian people over $300,000,000 more than when the war started. In addition about $300,000,000 has been borrowed by the government, largely from Canadians who will eventually not only get their money back, but good interest in the interval.

It may be said, therefore, that Canada, through the war purchasing of Britain and her Allies—through the money for shells and the high prices we have been paid for our natural products—has become wealthy. Now the mother country asks that she be given a measure of credit. From a business standpoint she is a good customer with other calls for the time being and she asks to open an account. And this account, it may be remarked in passing, is a trivial affair to what Canadian enterprises owe to British people.

For this latter reason and to assure a continuance of that protection under which the Dominion has prospered for a hundred years we can very well do some spending on our own account as well—especially when it is quite evident that we, as a nation, have the price in our pocket.

THE NEEDS OF THE UTILITIES.

DAZZLED by the illusion of public ownership and the arguments of those who are making of it a powerful weapon for political purposes, the Canadian people are developing an attitude towards private enterprise in the conduct of utilities which promises serious consequences for those financially interested in the first place and themselves in the second. Inefficient administration of utilities, private or public, must eventually be paid for directly or indirectly by the people and there is no penalty upon those responsible for the inefficiency which has in the past and probably always will be a feature of state ownership and operation under political control.

The unsoundness of many of the Beck projects from a business and financial standpoint and the attitude of the Railway Commission on the question of freight rates—an attitude which seems to reflect the reluctance of the government to antagonize public opinion by making needed advances for the system it is purchasing—are matters we have previously dealt with. But not only are the enterprises referred to being affected but the example is encouraging similar treatment of other public utilities. The rights of the investor and the business principle of allowing a return on capital invested are being ignored.

A writer in the New York *Financial World*, speaking of the situation with regard to American utilities, says that it is entirely unreasonable to suppose that the properly constituted governmental authorities, either municipal, state or federal, will not recognize the necessity and justice of providing, at least in part, for the increase in the operating costs by allowing an increase in the rates. Alas! so far as Canada is concerned there seems small possibility of such justice being done while there are public enterprises under government and political control which can be operated at a loss if necessary to comply with the public demand that rates be kept down, thus creating the impression that advances are not necessary.

A DEFENSE, NOT A BOAST.

THE FINANCIAL POST has been frequently criticized for telling the real truth about war conditions. We said the British Government was intentionally suppressing facts. Lovat Fraser, writing in the *Daily Mail*, Nov. 5, says:

" Why have we done so indifferently this year? Because our Ministers and others have persistently suggested that the Germans were beaten, or nearly beaten, and have thereby produced false impressions in the public mind which have weakened the national effort.

With the exception of Lloyd George the British Ministers have been talking this way since Aug. 4, 1914.

MR. HANNA says that those who oppose the regulations of the Food Controller are aiding a German propaganda. How about those who would seemingly try to discourage the development of our packing industry, which is such an important factor in getting our food products to the men at the front?

SERIOUS ASPECTS OF THE NIAGARA POWER PROBLEM

WHAT of the shortage of Niagara power? The Hydro-Electric Commission and the municipalities have admitted that they have made contracts for power which they are not able to fulfil; that there is a deficiency of 100,000 H.P. and upwards. Very few people realize what an enormous shortage this is. The total amount of power transmitted to Toronto in 1906 by the Electrical Development Company was 8,000 H.P. which was then found sufficient to run the street cars, to light the streets of the City and to supply all of the private house lighting then in use.

The Dominion Government has appointed a Power Controller in the person of Sir Henry Drayton to investigate the causes of the shortage of power and to find a remedy if there is one, but it can be safely stated that there is no adequate remedy in sight—there may be some relief, but there is no cure.

Sir Adam Beck faces a demand for power which has been created largely by himself and which he is not able to fill, and, worse than that, he has entered into contracts, for the Hydro-Electric Commission and for the municipalities, for quantities of power which are not available, and which he must have known would not be available. Sir Adam Beck has promised to supply necessary quantities of power to manufacturers, and on the faith of these promises hundreds of thousands of dollars have been expended in plants for munitions of war, and for other products, and these plants are wholly unproductive, or partially unproductive through want of power, due to the non-fulfilment of the Hydro power contracts.

The British Government has suffered through shortage of power to the Electro-Metals Company of Welland and to the Union Carbide Company of Welland, thousands of horse power having been withdrawn from the power loads of these concerns in order to give the power to some other claimant for it.

A good many of the customers of the Ontario Power Company in the Niagara Peninsula have been deprived of a percentage of their power supply; some we are informed to the extent of 20 per cent. The municipalities themselves, who are the real owners of the power transmission plant and transmission lines, have been called upon to forego the power which the lines were built to give to them, in order that some of these contracts may be filled or partially filled.

The British Forgings Company, inaugurated by the Imperial Munitions Board to make steel and other munitions supplies, cannot receive the power which it has contracted for, or if it does, other consumers will have to go without it; it is said that the cost of the power ducts and lines from the Hydro Power Station to Ashbridge's Bay, where the British Forgings Co. is located, have cost the enormous sum of $750,000.

It is stated that notwithstanding the seriousness of this situation, Sir Adam Beck is still seeking more power consumers while he is cutting off others.

An order has recently been made by Sir Henry Drayton calling upon the Electrical Development Company to supply 13,000 H.P. to the Ontario Power Company, which is part of the Hydro-Electric System. This power has been forcibly taken although the company has notified the commissioner that the loss of this power will cause a shortage in December and January in the supply of power to the regular customers of that company.

Up to the present time the Toronto Power Company and the Toronto Electric Light Company have made no contracts for power which they have not been able to fill from the plant of the Electrical Development Company, which they own, and and they would be in a perfectly safe position for the coming winter if it were not for the taking away of power under Federal authority to help the unfortunate situation created by the unbusinesslike methods of Sir Adam Beck.

Doubtless the customers of the Canadian Niagara Power Company will also be made to experience a deficiency of power during the coming winter for the same reason.

Should it not be a matter of grave concern on the part of the government and the financial authorities throughout the country that the failure of the Hydro-Electric plans should cause injury and loss to the shareholders of power companies and manufacturing and industrial concerns and to private users of power and light generally?

No one can tell what the end of the trouble will be, or how far reaching may be the inconvenience and money loss to power consumers.

Sir Henry Drayton's task will doubtless be discharged fairly as far as possible, but he cannot supply power which does not exist, or prevent the closing down of industrial concerns.

THE FINANCIAL POST has repeatedly insisted that a commission should be appointed by the Dominion Government to investigate the whole question. If this is not done; the municipalities may in the future find themselves facing serious financial problems. Besides the present problem demands that the whole matter be given very serious consideration.

INDUSTRY AFTER THE WAR.

READERS of THE FINANCIAL POST who are interested in the after-war outlook, particularly as concerns our manufacturing industries, will find food for thought in the interesting foreview of the situation presented on the opposite page by Senator Nicholls, who has studied his subject not only from the standpoint of a member of the Upper Chamber, but from that experience of the technical side of Canadian industry which he has gained through a long period of constructive activity in the industrial, financial and business fields. He puts it up to the government to establish some practical constructive system whereby Canadian industries may be brought together for cooperative effort in supplying foreign demand. As an argument of what can be done in this direction he points to the remarkable success which has attended Canadian activity in the manufacture of shells under the direction of a governmental body.

There are wide differences of opinion as to what part Canada may be able to play in the field of world merchandise after the war, particularly with regard to highly manufactured goods, but there can be no doubt that the greatest measure of success can be attained by some practical selling effort on the part of the government either through the Department of Trade and Commerce, a trade bank or other organization.

A GERMAN PLUNGER'S CANADIAN CAREER

Alvo von Alvensleben's Remarkable Experiences With the Millions of Friends of the Kaiser After Landing in B.C. a Tramp.

A CAREER which ranks with the most remarkable in the realms of "high" finance was that of Gustav Constantin Alvo von Alvensleben who landed as a hobo on the Pacific coast in 1904, and in the years which followed rose to the reputed financial status of a millionaire with interests in companies in which upwards of $10,000,000 had been invested by friends of the Kaiser and of his own family. He turned the province of British Columbia upside down, so to speak, and threatened to bring financial disaster on the state. The following is told as the inside story of Alvo's sensational career by Francis J. Dickie, being based on an interview with the German's former confidential secretary, one of the few men in a position to give the details:

The son of Count Werner Alvo von Alvensleben, former German Ambassador to the court of the Czar and a leading Junker, Alvo was practically kicked out by his father and told to shift for himself after gambling away his allowance in a wild career at college.

Determined to rehabilitate himself in the eyes of his parents and of the Kaiser, an intimate friend of the family, who expressed strong disapproval of his youthful conduct, Alvo struck out for America and recommenced life as a hobo in Puget Sound country. In 1904 he drifted to British Columbia and within seven years was reputed to be a millionaire, having financed a dozen large companies with upwards of $10,000,000 supplied by wealthy friends of his family and the Kaiser. Before the war broke out he became bankrupt, his last visit to Germany made just previous to the European outburst, having failed to stave off the climax of his business career, owing to all his investments being made in enemy countries, or countries that Germany was soon to be at war with, this being one of the most striking evidences that Germany had planned this war in advance.

A Trail of Disaster.

Nearly all of his companies collapsed. These included The Alvensleben Canadian Finance & General Investment Company, Standard Fish & Fertilizer Co., Vancouver Timber and Trading Co., Piercite Powder Co., Indian River Park Company, German Canadian Trust Company. Also with these went several other of the Pacific Coast's largest financial and industrial concerns, which he had involved, including the Bank of Vancouver, The Issaquah and Superior Coal Mining Company of Seattle and the Dominion Trust Company, whose failure, following the alleged suicide of its managing director, W. R. Arnold, was one of the greatest scandals in the history of the Dominion of Canada.

Only a few months ago two private banks of Seattle closed their doors as a result of their connection with the Issaquah and Superior Coal Company, another of the projects of the gambler-financier. The final liquidation of his original real estate and financial company in Vancouver disclosed liabilities of over one and a half millions, with assets of about $3,000, insufficient to satisfy even salary claims or liquidator's fees.

At the height of his career, 1912-13, his clients included such well-known Germans as the ex-chancellor Dr. von Bethman-Hollweg, who at one time owned the north-west corner of Fourth Avenue and Bayswater Street, in Vancouver; von Mackensen, conqueror of Roumania; von Roon, descendant of the famous Prussian statesman who helped to wrest Alsace-Lorraine from France; Emma v. Mumm, the champagne queen; Ledebur, von Brockhausen-Mittelfelde; Bertha Krupp and many others of equal prominence in Germany.

Kaiser Was Greatest Client.

His greatest client of all, however, was Kaiser Wilhelm, for whom he made investments in British Columbia timber totalling two and a half million dollars.

Alvensleben is a perfect type of superman. He is six feet two in height, 38 years of age, lean and muscular with slightly stooping shoulders, and a typical fire-eating Prussian. An autocrat one moment, a democrat the next, but only assuming the latter attitude when it best suited his purposes. Possessed of unlimited imagination, fluent tongue, ambitious, tireless, impulsively generous, yet withal stubborn and unreasonable, violent tempered and a slave to the gambler's instinct, remarkably clever at figures—but never a business man!

When he first landed in Seattle he was practically dead broke. An employment office extracted from him the usual $2 fee—all he had—and sent him to a job in a lumber mill some distance from the city. Alvo tramped many miles to the mill only to be refused employment upon his ticket. He could scarcely speak any English, but he knew how to use his fists. Walking all the way back to Seattle he on arrival proceeded to beat up the employment agent in thorough and picturesque fashion. Afterward he secured temporary rough work at various mills along Puget Sound.

First Job in B.C.

His first job in British Columbia was the whitewashing of a salmon cannery at the little village of Ladner, near the mouth of the Fraser River. His wardrobe included overalls and a dozen dress shirts, the latter relics of his grander days—but he had no socks. From wielding the whitewash brush to hauling the nets was the next step, and it was not long before the Prussian Junker's son was engaged in partnership with a rough-neck sockeye fisherman, making nightly trips out into the Gulf of Georgia, and doing his share in one of the hardest and most dangerous callings in the world, that of a deep sea salmon fisher.

In two months with the money obtained from his salmon fishing, he was enabled to purchase an ancient mare and a light wagon. Over night he blossomed out as a produce dealer, buying poultry and dairy products from the farmers in the vicinity of Ladner. These he brought to the city of Vancouver and sold them from house to house in opposition to the Chinamen. Business increased and the staid old Vancouver Club, a hoary and most exclusive institution in which only the most elect held membership, became his best customer.

Real Estate the Door.

But Alvo did not stay long in the business; but went up by leaps and bounds. Real estate clerk, then curb broker, then large independent dealer were some of the upward steps, until two years after he had sold his last load of produce to the Vancouver Club, he was himself a member. One of his first acts there was to entertain a visiting German Baron to dinner. Noticing the waiter eyeing him in an unusual manner, Alvensleben, with a wink at his guest, suddenly startled the waiter by remarking: "Yes, by jingo, I'm the man who used to deliver chickens at the back door. Now go on serving dinner, and stop staring so damn impolite!" The Baron was dumbfounded, but laughed heartily upon Alvensleben giving the story of his early struggles. Thus does royal blood graciously accept success!

When the real estate boom struck Vancouver, in 1905, Alvensleben was quick to see the opportunities in land. The old wild gambling spirit of his youthful days was still strong upon him. He was the man for the moment, reckless, willing to take chances, and a born mixer. He cabled relatives in Berlin, who had heard of his early successes, and induced them to invest large sums of money. His first investment yielded enormous and quick profit, and thus established his prestige in Germany, for he promptly repaid the investors with a thousand per cent. on their money.

A Rapid Rise.

In 1908, after a very romantic courtship, he married Edith Mary Westcott, a popular Vancouver girl, daughter of one of the leading society matrons. Following the marriage, the financier purchased the largest private estate in Vancouver's most select residential district, Point Grey, where he erected a magnificent home. His name, high foreign connections, and expenditure on entertainment that set a hitherto unknown high mark in the very British city of Vancouver, quickly brought him valuable social connections.

His business ventures broadened with astounding rapidity, but most of his purchases for himself and clients were made on "agreements," with the expectations of making big margins in the prevalent boom. A good salesman himself, he was also the easiest mark for wild cat schemes who ever came out of Europe, owing to his gambling mania. Soon his companies became loaded up with timber lands bought at inflated prices, wild lands, doubtful mining leases, Alberta oil shares and other unproductive assets. Some of his wealthy clients wished their useless sons upon him, whom he was forced to maintain in his office at high salaries.

In 1912 the first trouble arose over dividends not being forthcoming from his investments. He was still strong in Berlin, and went there and raised fresh capital with which he succeeded in placating some of his investors. Then he was attacked in a Vancouver German paper which charged him with unscrupulous methods in handling foreign capital. Copies of this were mailed to Berlin to members of the Reichstag by the Vancouver editors, and the matter was brought up for discussion by that body. Alvo was game. He sued the local paper and secured judgment in a criminal action against the editors. But the fat was in the fire as far as his German clients were concerned.

And Then the Fall.

In the early part of 1914, the financier's creditors both in Europe and Canada were pressing him. He was tied up in such a mass of deals, counter deals and trades of property with Arnold and the Dominion Trust Company, that an army of auditors has never as yet succeeded in disentangling them. He owed over $10,000 to one of Vancouver's chartered banks on some Victoria Island timber deals, which he had anticipated selling to the British Columbia Government for a park reserve. The Vancouver manager and a dozen of the staff were dismissed through their connection with this loan. The breaking out of war was the final straw, though it is doubtless that Alvensleben was notified in advance, as he was out of Canada on August 4th, 1914. Leaving Berlin two days before war broke out he went to New York. In an interview then given to a New York paper, he stated he could best serve his country and his clients by returning to the Pacific coast. Perhaps the words were humorous irony on his part, as his arrest on August 9th, suspected of being implicated in a plot to steal the naval plans of the Puget Sound Navy Yard of Bremerton, would lead one to suspect.

After the outbreak of the war and until his arrest on August 9th, Alvensleben remained in Seattle and other American Pacific coast cities, though wild rumors were afloat several times that he had visited Vancouver in disguise. After one of these reports appearing in the local papers Alvensleben wrote a friend in Vancouver, saying: "You can tell the good people of Vancouver I have something better to do than visit their city in the disguise, of a Hindoo or any other of their numerous Allies."

In the years of his glory in British Columbia, Alvo von Alvensleben handled upwards of twenty million dollars, some of it the property of the most terrible crowned head of Europe and his ministers. This daring, gambler-financier, once salmon fisherman and poultry pedler, overturner of great corporations, and wrecker of banks, has apparently come to the end of his career; but of a man who has done so much, it is hard to say.

PERSONAL

ARCHIBALD KAINS, president of the American Foreign Banking Corporation, the formal opening of which in Wall Street was announced this week, served in the Canadian Bank of Commerce for twenty-five years, having entered the employ of that institution in 1882. After serving at a number of Canadian points including London, Toronto and Montreal, he was sent to New York where he spent seven years. With the exception of one year in Montreal he has been in the United States ever since. He represented the Bank of Commerce in New Orleans, Chicago, Seattle and San Francisco and in 1908, when occupying the position of manager in the last mentioned city, accepted the position of special examiner of all clearing house banks there. Associated with Mr. Kains as vice-president, is Thomas Frederick Aspden, who may also be regarded as a product of the Canadian banking system. Mr. Aspden, a native of Manchester, England, entered the employ of the Merchants Bank at London, Ont., in 1881, where he remained for seven years. Then for several years he was with a Chicago bank but in 1904 engaged in special work for the Canadian Bank of Commerce, travelling in connection with foreign business on the European continent.

WILLIAM HENDRY, whose death took place on Sunday last at Kitchener, Ont., may well be regarded as one of the fathers of Canadian life insurance, having for twenty-seven years—prior to 1897—been manager of the Mutual Life of Canada. Born in Aberdeen, Scotland, eighty-three years ago, he came to Canada when a child with his parents. They were one of a number of Scottish families that settled in the wilderness in the vicinity of the present village of Elora. The hardships he endured growing up in this pioneer environment doubtless had a great deal to do with producing the physical, mental and moral sturdiness which characterized him. Mr. Hendry's youth and early manhood were spent in mercantile and manufacturing pursuits but he found his real life work as manager of the second life insurance company organized in Canada, namely, the Ontario Mutual Life, now the Mutual Life Assurance Company of Canada. He assumed the management of the company when it was still in the experimental stage, and it was owing to his foresight that the newly-launched enterprise was steered past the rocks of assessmentism and began its long and prosperous voyage as an old line, legal reserve, purely mutual life company. The late Mr. Hendry was a tireless worker, taking upon himself a great variety of exhausting duties which ended in a nervous breakdown about twenty years ago; but he lived to see the child he had adopted grow up into a vigorous and useful manhood. Impaired health compelled his retirement ten years ago but during his incumbency the business increased from half a million to twenty millions, and at the same time its assets grew from six thousand to four million dollars. Altogether his life was a pronounced success in every true sense of that term. His company flourished under his direction, and while not rich he enjoyed every comfort. Above all he was successful in developing a character of a truly ideal type. He attained the lofty standard set by Immanuel Kant—"Live so that society might safely accept your example as one which all might safely follow."

WALTER CLARK TEAGLE, who at the age of thirty-nine has moved up from the head of the Imperial Oil Company of Canada to the presidency of the parent company, the Standard Oil Company of New Jersey, must be placed with the outstanding successes of the great American business world. In the twenty years he has been in the oil business he has climbed from the lowest round on the ladder to one of the highest, learning thoroughly every part of it. He will take the place as operating executive of the Standard Oil Company, which has been held since last Fall by A. C. Bedford. Mr. Bedford moves on up to the chairmanship of the board and the company's chief executive. The division of authority of the two highest officers of the company is similar to that inaugurated in the affairs of the United States Steel Corporation, whose chairman of the board acts as chief executive officer and whose president has special charge of operations. Mr. Bedford is chairman of the petroleum committee of the Council of National Defence. In that capacity he has shouldered a multitude of duties in the mobilization and distribution of oil to the Government, to the Governments of the Allies and to domestic consumers. One of the reasons for the change was to give Mr. Bedford more time to handle the Government's oil problem and to shift some of the Standard Oil responsibilities to a young and able executive. By a coincidence, the maternal grandfather of the new Standard Oil head and John D. Rockfeller, Sr., were close personal friends and business associates. In the early days, when Mr. Rockefeller was struggling for a foothold in the commercial world, he became associated with Morris B. Clark. They started a grain business, and it was extended to include oil. Mr. Teagle's father followed in his father's footsteps and became a member of the oil firm of Scofield, Schurmer & Teagle of Cleveland. After his graduation from Cornell University, Mr. Teagle was employed by his father's firm, and learned the oil business there. When the firm with several others was merged into the Republic Oil Company, he was elected a vice-president, and later became the active manager. After three years he went to New York to work in the foreign export department of the Standard Oil Company, and until 1910 spent most of his time abroad, in close touch with the producing and marketing situation in all parts of the world. In 1910 Mr. Teagle was elected a director of the New Jersey Company and later became one of its vice-presidents, resigning that position in 1913 to accept the presidency of the Imperial Oil Company, the Standard Oil organization in Canada. He also has been president of the International Petroleum Company since its formation in 1915. Although for three years a resident of Canada at Toronto, Mr. Teagle has not made himself widely known even in business circles. Like many other modern executives he has avoided the limelight and his work along the lines of industrial and social reform, like that in connection with the oil company, has been a light under a bushel so far as the general public is concerned.

GOVERNMENT'S PLACE IN OUR FOREIGN TRADE

Efficient Methods of Co-operation in Production and Marketing Needed to Give Canada Big Place in World Business.

Written for The Financial Post by Hon. Frederic Nicholls.

The reconstruction period in Europe after the war offers to Canada many opportunities for extending her trade, but before we can reap we must sow. That is to say, we cannot improve the opportunity to extend our overseas trade unless we first assume the responsibilities of making adequate preparations. These responsibilities have been promptly recognized in other countries, and perhaps a recital of some of them as set forth by the National Foreign Trade Convention of the United States may be of interest. The convention committee in its report said:

"Our trade must depend for its future development upon the efficiency of our agricultural and industrial production, upon the enterprise of American manufacturers, merchants, and bankers, and upon the training of the youth in our schools, colleges and universities. The wider distribution of the benefits of foreign trade is dependent upon the participation of a steadily increasing number of industries and enterprises of moderate size. Government agencies, the Department of State, with its diplomatic and consular services, the Department of Commerce, etc., can assist American enterprise by the negotiation of advantageous commercial treaties, by collecting and disseminating information regarding foreign markets, and suggesting improved financing, selling, and purchasing methods."

The United States have had wider and longer experience in catering to foreign trade than has fallen to our lot in Canada, and therefore should be well advised as to the responsibilities to be assumed, and an analysis as to where we are found wanting should be educational. The report first says "Our trade must depend for its future development upon the efficiency of our agricultural and industrial production."

Individual Efficiency.

Dealing first with agricultural production, can it not be said that our crops have steadily increased until today we are one of the largest exporting countries of wheat, butter, cheese, bacon, and other farm products. In the Western Provinces, where most of our export wheat is grown, efficient production has been stimulated by almost a superabundance of transportation facilities, by privately-owned and state elevators, experimental farms, agricultural colleges, and by a generous distribution of printed matter dealing with all subjects pertaining to the economical operation of the farming industry.

Dealing next with industrial production, which has had to depend upon private capital and individual enterprise, it cannot be said that it has been inefficient. Without submitting statistical tables, which are always tedious reading, the intelligent and thorough manner in which our manufacturers established the munitions industry in this country will always be a monument to their efficiency and enterprise.

Co-Ordination Required.

It may then be fairly argued that our agricultural and industrial production is efficient, relatively as efficient as that of the United States, but what is lacking is co-ordination of effort between the agricultural and manufacturing industries and the Government. The farmers and manufacturers have proved their ability and efficiency, but I am sorry to say that the government may be charged with inefficiency and procrastination in dealing with this great problem. It is true that a few commercial agents under the direction of the Department of Trade & Commerce send commercial reports from foreign countries, and the weekly trade bulletin published by the department is excellent in its way but of little practical value without an energetic selling organization. Such an organization should be directed by the government, or by a commission or trade corporation in sympathetic co-operation with the government. If it were under government control or supervision trade jealousies would be eliminated, the respect of the commercial community would be assured, and its prestige abroad would be such as no private undertaking could hope to imitate.

Helping To Rebuild Europe.

It has been estimated that the cost of reconstruction in France alone, irrespective of Belgium, Italy, Russia, Roumania, and Servia, will amount to a thousand millions of dollars. France has to-day over seven hundred and fifty towns in the war zone demolished wholly or in part, and more than three times that number of towns, besides several of its cities of over a hundred thousand population each, are still held by the Central Powers. Individual firms of great financial responsibility may of course send agents abroad to try and secure contracts for a portion of the immense volume of trade which will be offering, but the relative advantage to Canada as a whole would be negligible as compared with what might be accomplished would the government only realize the possibilities and awaken to action.

Munitions Brokers Set Pace.

The British Government appointed the Imperial Munitions Board primarily for the purpose of securing a new source of supply of munitions, which they sorely needed. The result has been a revelation to the British authorities, who never dreamed that so promptly we would be sending abroad a never ending stream of munitions amounting in value in the aggregate to hundreds of millions of dollars. If securing these orders had been left to individual enterprise the result would have been comparatively insignificant, but a central authority with Imperial prestige so co-ordinated production that hundreds of individual firms were mobilized and thereby not only rendered inestimable aid to the Allies during a time of stress but brought prosperity to Canada, afforded employment at a time when the unemployed situation had become critical, and enabled the country to assume great financial obligations for its share in the prosecution of the war, which otherwise could not have been done.

Is it not reasonable to suppose that if a Canadian trade board, under government auspices, should be organized to conserve Canadian trade during the period of trade dislocation after the war that immeasurably great results could be achieved? Could not such an organization mobilize our industries and our natural resources so as to insure that a proportion of the orders for after war requirements of the European countries would be directed to our shores? Nero fiddled while Rome burned, and I am afraid that unless some effort is made by those in authority to give most serious consideration to what, next to winning the war, is I believe the most serious problem we have and which concerns every class of our community, there will be a rude awakening. At such time it will then be too late, although when the error of inaction is discovered we will no doubt expend many times the effort now needed in a futile attempt to "Shut the stable door after the horse is stolen."

The Victory Loan

November 12th, 1917

Royal Securities Corporation, Limited
164 St. James St.
MONTREAL

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

MINING STOCKS.

H.P., Hull.—Will you please tell me of some good Canadian stocks. I have bought some stock in Hargraves, Temiskaming and Newray and lately a broker told me that Mining Corporation, McKinley-Darragh, Nipissing and McIntyre were good.

From your letter we gather that you are particularly interested in mining stocks. If you select as your investment any proved, producing mine, you will not make any very serious mistake. Of the stocks you hold, neither Hargraves nor Newray are yet dividend payers and while they are promising properties they are very largely in the prospect stage. Temiskaming on the other hand is regarded as a mine that has had its day. The other stocks mentioned by your broker are in the first rank of Cobalt and Porcupine stocks. They are all big producing mines, possess large reserves and, barring unforeseen circumstances, will pay dividends for some time to come. If you intend to buy mining stocks you could not do much better.

So far as other stocks are concerned, we would advise you for the present to confine your attention to the preferred stocks of well-established industrials or to public utility issues. The general run of stocks are in none too assured a position in view of the uncertainty of after-war conditions and only those of companies catering to the everyday needs of the people may be purchased with confidence. Government or municipal bonds are also attractive although the return is lower.

CANADIAN PACIFIC.

R.H.D., Powassan.—Tell me what you think of C.P.R. around 135.

When you ask our opinion about Canadian Pacific you direct attention to one of the most interesting security problems which the market has had to deal with for some time. The decline in the price to 135 and below has been accompanied by such technical developments as liquidation for German account and liquidation for British account to influence on the exchange situation. This has resulted in a large portion of the stock passing into American hands and there has evidently been a tendency to bring C.P.R. in line with American roads. The decline has been marked by a heavy liquidation which has resulted in transactions of more than 500,000 shares since the first of July. These are the technical factors which have been at work as we see them but in addition there has also been the influence of sentiment as applied to the whole investment situation and particularly to American railroad stocks. In how far the market has been reduced as the result of influences actually warranted by existing conditions and possible readjustments, and in how far public distrust and apprehension have carried investment values below their actual intrinsic worth, would be difficult to say. Then, too, there are local conditions to be considered, including the rising cost of operation and the fact that the Railway Commission shows little disposition to increase rates, together with the possibility that, through political and other influences, the government ownership and operation of the Canadian Northern system may be used to keep rates down, thus appealing to popular opinion but, with a continuation of present conditions, forcing the privately-operated roads into a position where they will not be able to show satisfactory profit.

In view of the very unsettled situation it would appear to us that at the present price C.P.R. is a good proposition for a reasonably long hold, the recovery depending upon the trend of political and national events and upon the treatment accorded the railways by the Railway Commission. However, there is more than a possibility that the price will be driven to still lower levels in the interval if a measure of public confidence in the market situation is not quickly restored.

C.N.R. DEBENTURE STOCK.

W.H., Almonte.—I am holding some shares of Canadian Northern 5 per cent. income charge convertible debenture stock. Could you give me any information as to the present standing of this stock, especially in view of the government's purchase of the outstanding common stock?

As a debenture stock this security constitutes a mortgage upon the properties of the Canadian Northern Railway. This mortgage ranks prior to the $45,000,000 loan by the Dominion Government which was backed by Canadian Northern common stock. Therefore, the obligation should be fulfilled at par when the bonds are due. In the meantime there may be or may not be interest, depending upon whether interest is earned. For some time interest was paid but recently income has not warranted such payment. Just a short time ago the directors met and, having no funds with which to declare a dividend, passed it.

So far as the new relations between the Government and the C. N. R. are concerned it would appear that, with the Government in control, there is probably a better chance that the letter of the bond will be eventually fulfilled, but it is questionable if the Government will be able to show operating returns which will make the chances for interest returns as bright as would have been the case under private management. This not only refers to lack of efficiency which we believe will result under Government control, but to the fact that the tendency of a government road will be to keep freight rates low in order to meet popular opinion. So far as the right of conversion is concerned it would not appear likely that anyone would wish to change for common stock at the present time in view of the fact that, even if the board decides to allow the maximum price of $10,000,000 for the $60,000,000 outstanding common stock, the return to the shareholder will only be $16 per share. Last quotations for the income debenture stock which we have heard were in London and between $40 and $50.

MONTREAL TELEGRAPH.

G.C.W., Regina.—Please let me know the cause of the recent decline in Montreal Telegraph and if you think the decline is likely to be permanent?

In our opinion there has been no other reason for the decline in price of Montreal Telegraph stock than the general readjustment which has taken place in the investment market and the recent apprehension which has been generally evident in the attitude of the investing public. The stock is absolutely guaranteed on the 8 per cent. basis by the G.N.W. Telegraph Company and the Western Union and in addition there is an extra of ¼ per cent. Under these circumstances the 8 per cent. is as assured as any return could well be on this class of security. Officials state that so far as the company itself is concerned there has been nothing to warrant any change in the intrinsic value of the stock. The influences in the change have included the rise in the value of all capital with the continuation of the war and the advance of money rates for government loans and the realization of the public of the very serious war program ahead, a realization which has been particularly felt in the United States and Canada since the former country entered the war and began to play a direct part in supplying funds as well as men for the conduct of the European campaign. Briefly, holders of Montreal Telegraph have been putting their stock on the market to use their funds for other investments but it is very doubtful if they have made the change to any great advantage to themselves.

WESTERN LAND PROPOSITION.

S.M., Toronto.—I would appreciate any information you can give me on the Farm Owners and the Alberta Farm Operators, of Calgary.

Both of the companies referred to are subsidiaries of the Alberta Financial Brokers and are doing business in the purchase of lands which they operate on a ten-year lease. The funds are obtained from the east and so far as present indications go the business is showing up all right. However, we are informed that the concerns have been operating only a short time and it is therefore difficult to say what the outcome may be. The opinion of an experienced land man expressed to THE FINANCIAL POST is that the concerns are not on a basis to give the full results anticipated. There is no doubt about the good standing and purpose of the management but many similar schemes have been attempted in the past without obtaining very satisfactory results. The argument may be used that when it is not considered good business on the part of the man on the ground to put funds into a proposition, there are stronger reasons why those at a distance, and not in a position to watch their investments, should look well into the plans before backing them with their money. The theory behind these undertakings appears to be all right but the working out of the plan may be different. This is often the case with regard to farm enterprises, where very careful management is required to keep operating expenses low enough to permit earnings for the shareholders.

AS OTHERS SEE US

CUTTING NEEDLESS EXPENDITURE.

"The union government is up and doing. The new Minister of Public Works is curtailing public expenditures. He believes in conserving our financial resources and in order to do it he finds that it is not necessary to spend a lot of money just now on certain public works"—so says the Lethbridge *Herald* and follows by quoting in full THE FINANCIAL POST'S recent editorial commending Hon. F. B. Carvell for his attitude and action in this connection. The *Herald* continues:—

It is well to keep in mind that under the old partisan system of government the public works department was used to supply the cheer for the electors, a wharf here, and a post office there, many times absolutely unwarranted except as a supposed vote getter. Party government of the old type would not have remedied the evil but non-party government engages itself immediately to cut out the sore and save the people's money for greater and better purposes."

CURRENT OPINION

THE RAILWAY QUESTION.
Montreal Gazette.

To use the mildest term, the policy of the country towards the railways has been shortsighted. There is a Railway Commission formed to regulate rates, well and good; but it cannot have been the purpose of Parliament, when constituting the Commission, to impair the efficiency of the great transportation systems upon which the very trade and prosperity of the country depend. Yet that is what is happening. Every factor entering into the cost of equipment and operation of the railways, from the spike to the locomotive, the office boy to the engineer, has during the last three years increased enormously in price, while the one item from which these roads derive revenue, transportation, remains as it was. The case of the Canadian Pacific Railway is in point. It is admittedly one of the best built, best managed, and most efficiently operated roads in the world, yet the cost of operating its lines, on the basis of the September returns, rose from 54 per cent. in 1915 to 70 per cent. in 1917, an increase of upwards of 25 per cent., and the experience of the Canadian Pacific is that of the Grand Trunk and Canadian Northern. People are prone to regard merely gross earnings, and to infer therefrom that the railways are sharing in the general prosperity of the country. In the first ten months of this year the gross receipts from the traffic of the three Canadian systems show a gain of $18,846,000; but so far from profiting from the greater volume of traffic, the railways actually suffer a decline in net earnings, in surplus profit, thereby.

Why should the railways alone be singled out for discriminative action? Why be compelled to bear the burden of greatly increased expenses, without compensation in the form of equitable rates? Regulation of rates is desirable from every standpoint, but it must be fair regulation. The existing rates were made, at least approved, by the Railway Commission in the ante-war times. If they were fair then, as is proper to presume, they are certainly most unfair now.

THE NEED OF THE GRAND TRUNK.
Financial Times (London).

The passing of the interim dividends on the whole series of Grand Trunk Preference and Guaranteed stocks shows how necessary it is that the Canadian Railway Commission should make some concession in the matter of rates to counteract the heavy advances in working charges of all kinds—labor, material and fuel—to which the decline in net earnings is wholly due. We should be the last to suggest that any unwarranted burden should be imposed on Canadian agricultural, pastoral or manufacturing industries, but all these are notoriously flourishing, high prices and active business being far more than sufficient to cover any advance in expenditure. Yet with Canada prosperous the great and vital railway industry is embarrassed because it is not permitted to share a little in the general advance in prices. Other industries can put up their rates, but the railway industry, which is controlled by Government, cannot do so. On the other hand, its expenses go up automatically, the consequence being that with fine increases in gross receipts there are heavy declines in net revenue. Possibly the action of the Grand Trunk Board, disappointing for the nonce as it is to the stockholders, may eventually be of service to them by impressing on the Railway Commission the desirability from every point of view, even in the long run from that of Canadian farmers and manufacturers themselves, of treating the railway companies of the country, on which its prosperity so largely depends, if not with generosity, at any rate with due consideration for the changed circumstances.

HAVE CONFIDENCE IN US.
Financial World, New York.

Canada is a country of boundless natural resources and she is shouldering her burden of the war with courage and a degree of stamina and cheerfulness that should, and in fact, has, evoked the praise of financial authorities on this side of the line everywhere. The faith of the United States in the strength of her northern neighbor is strong and will abide and her banking mission, recently on a visit to Washington, obtained full assurances that the gold supplies the Dominion required would be released and that the United States embargo on the export of gold would not be enforced so far as our neighbor is concerned. The indications all point to a successful outcome of the new Dominion loan and another year of prosperity for our sturdy neighbor.

Investing by Small Payments

¶ The growth of the periodical payment plan for making safe investments is one of the most notable features of recent years in finance on this continent.

¶ The plan was introduced to Canada by this firm which is now helping investors throughout the country to invest while they save.

¶ Our circular will be sent to anyone interested on request.

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BOOKS RECEIVED

"PICTURES OF FIGURES."

A remarkably interesting pamphlet has just been published by the La Salle Extension University, of Chicago, on "Graphic Charts for the Business Man." It is the work of Stephen Gilman, C.P.A., vice-president of the Tanner-Gilman Company, public accountants.

"The entire subject is only in its infancy," says Mr. Gilman, "and it may reasonably be expected that the art will be developed very extensively within the next decade. Unquestionably, the enthusiasm of business men and accountants for these 'pictures of figures' is becoming greater every day."

Besides a clear account of the whole process of graph-making, this booklet contains 56 examples of graphs, from the simplest forms to highly elaborate charts. They include records of manufacturing costs, production, business organization, flow of materials, salaries of employees, net profits, relation of stock market to business activity, salesmen's productivity, sales, responses to advertisements, geographical distribution of customers, collections, relation of assets to liabilities, shipments, cash balances, time studies, idle time, traffic, bank deposits, complaints, telephone service, and many other things. These charts are so selected as to illustrate all the principal varieties of graphs in use at the present time.

The pamphlet has been prepared for use in the Business Administration Course of the La Salle Extension University.

U. S. GOLD COIN.

An incident of rather unusual significance is the request received by the Liberty National Bank from a correspondent bank in Canada asking the New York institution to ship to Canada $100,000 in United States gold coin in double eagles, against an equivalent value in gold bars.

As an individual export of gold of this nature would first have to obtain permit of the federal reserve authorities the request was submitted to the New York Federal Reserve Bank, and without doubt will be granted.

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NEWS OF THE BOND MARKETS

ONE DIVISION EXCEEDS ITS OBJECTIVE

Eastern Ontario Counties Passed This Mark Early in the Week.

RIVALRY BECOMES INTENSE

As Victory Loan Campaign Proceeds, Competition Grows More and More Exciting and Workers Are Keyed Up.

The public scarcely realizes the keenness of the competition which is going on all over the country in the sale of Victory Bonds. Through the press it hears of totals, of big subscriptions, of "stunts" and of amusing or pathetic incidents but it does not sense the intense rivalry that is actuating the workers. Division is pitted against division, county against county, city against city and town against town. Even in the individual centres there is a race among the various teams for supremacy. Primarily, of course, this rivalry concerns only the workers but it should have a wider human interest, for all humanity loves to watch a race.

Where the contest may be observed to best advantage is at headquarters, where the big score boards are hung up. These were suggested by Dr. A. H. Abbott of the Ontario Publicity Committee and they are proving of the greatest value in keeping the workers apprised of the progress of the campaign. And in this connection it is wonderful with what despatch returns are received and compiled. The system under which the day's totals from every part of Ontario are collected excels even the most complete system employed in an election.

Passed Its Objective.

The Eastern Division of Ontario, of which W. L. McKinnon of W. L. McKinnon & Co. is divisional organizer, passed its objective early this week and is now racing forward to establish a new record. It was the first division to meet its objective. Following are calculations made on Wednesday showing the position of all the Ontario divisions up to Tuesday night:—

Division.	Total reported Nov. 20, including special sub'ns	% of total objective	Objective including special subscriptions	Team members' objective based on 3% of assessment*
Toronto	$27,635,450	37.21	$74,264,000	$30,000,000*
Hamilton & London	9,544,950	81.84	11,663,113	5,262,113
Ottawa Valley	4,818,500	73.95	6,515,368	4,716,168
Southern	6,435,750	75.15	8,563,683	7,536,683
Western	6,952,900	57.22	12,150,436	7,686,436
Central	4,432,100	62.24	7,121,200	6,679,200
Eastern	6,859,300	111.97	6,126,103	5,454,103
Northern	2,800,100	52.02	5,403,805	4,934,905
	$60,490,050	52.72	$131,807,708	$72,269,608

* Toronto's objective is not based upon 3% of the assessment.

There is a feeling at Ontario headquarters that Toronto's objective was placed too high. It remains to be seen whether the Toronto workers can reach this high point. If they do, it will prove a great triumph. If they fail, it would have been better to have named a more reasonable figure. The assumption that a number of large subscriptions are being held in reserve to swell the total in the final week is only partially correct. Unfortunately a good many of these large applications have had to be used during the present week to keep up a respectable daily total. It is the middle class subscriber that is falling down and causing the trouble.

American Subscriptions.

Notwithstanding the purely domestic nature of the bond issue and the fact that any regular solicitation of subscribers in the United States has been tabooed, a surprising number of applications are coming from across the border. When all the circumstances are considered and when it is recalled that Canadian bonds can be bought in the New York market to yield a much higher rate than the Victory Bonds, this support from American investors is all the more gratifying. It indicates that the people of the United States are willing to give assistance and encouragement to the Dominion. Completion of the second Liberty Loan campaign and the knowledge that the third Liberty Loan is still several months distant, enables them to supply some funds for Canada's benefit, while at the same time the comparatively high yield insures a satisfactory return even when income tax deductions are allowed for.

A Price Discrepancy.

Some surprise is expressed in certain quarters at the fact that 1937 bonds are selling on the stock market at 93.75, whereas they are convertible into the new 1937 loan at 96.00. It would appear as if there were a fine chance to make a clean up by buying up some of the old '37's and converting them into the new issue. However, there are one or two considerations that are sometimes overlooked.

A purchaser, say of a $100 bond, pays $93.75; plus accrued interest, $1.25; plus brokerage, 50 cents, or $95.50. When he converts, he does so at $99.08, handing over his bond as the equivalent of $96.00 cash, plus $3.08 cash, less $1.25 accrued interest. His total cash expenditure is therefore $97.33.

The original holder of a $100 bond, paid for it $96.00. He converts at $99.08 and his total cash expenditure is therefore $97.83. The advantage of the new purchaser is therefore only a matter of 50 cents. Now, assuming that the new bonds sell off a little following their flotation, the man who buys now at 93.75 and converts into the new loan, in the expectation that he can make a profit on the transaction, is not likely to have his hopes realized.

There can be no large floating supply of the old 1937 bonds available and it is doubtful whether any quantity could be secured at 93.75. The chances are that as soon as buying developed, the price would firm up to a point where there would be absolutely no advantage in buying.

Must Support Market.

It is sincerely to be hoped that the Government will take steps to maintain the market for the new bonds. Already there are whispers here and there that just as soon as trading commences the price will fall off appreciably as it did in the case of the third loan. While there will not be the selling out of speculative accounts as was the case with the last loan, there will no doubt be a lot of small bonds coming on the market. Where the number of subscribers runs up into the hundreds of thousands, there are always bound to be some people who will find it necessary to sell. The fact that the market will be literally saturated with bonds will tend to reduce its buying power for some time to come and unless some support is forthcoming, the selling may drive down the price.

As it has been one of the campaign arguments that a subscriber can always get his money back, should it be necessary, it is incumbent on the authorities to see that this promise is kept, as far as that is humanly possible. It will give the next loan a bad start if people begin to find that they cannot get par for their investment. Doubtless the Canadian Bond Dealers' Association could easily devise ways and means of holding up the market for the new bonds, thus frustrating the plans of those unpatriotic people who think that by waiting a little they can buy Victory Bonds at bargain figures.

The Week in Montreal.

The Victory Loan parade in Montreal made a strong impression on the whole city and the workers reported a stimulation among the smaller subscribers. By Wednesday night the total from Montreal and the Province outside had reached $23,334,600, of which $2,429,710 came from outside Montreal.

Among the larger subscriptions reported this week are: Can. Fairbanks-Morse, $500,000; Major Herbert Molson, M.C., $250,000; Nicholas Chem. Co., $100,000; Can. Bag Co. (employees), $100,000; Gazette Pub. Co., $75,000; Senator Beique, $70,000.

M. J. Haney, president of the Home Bank of Canada, has personally subscribed for $100,000 of Victory Bonds.

No offers were received by the Township of Barton for the issue of $5,055 local improvement debentures for which tenders were called on November 17.

The Western Empire Life Assurance Co. of Winnipeg has subscribed for Victory Bonds to the extent of $75,000. Incidentally every employe of the head office staff, from managing directorate to office boy, is a subscriber to the loan.

Indian Head, Sask., with a population of 1,334, subscribed $110,000 to the Victory Loan up to last Saturday night. One in every seven of the population had bought Victory Bonds. If the same showing was made throughout Saskatchewan, the province's subscription to the loan would reach $51,826,800 or more than four times the objective.

TWO-YEAR NOTES MOST ACTIVE ISSUE IN N.Y.

Last Week, in Face of Weak Market, They Improved Their Position.

TURN-OVER IN OCTOBER

Over Four Million Dollars Worth Were Traded in, the Low Price Being 93, as Against Issue Price of 98.

Special to The Financial Post.

New York City.—The chief trading interest in New York in any of Canada's war issues centres in the Dominion of Canada two-year 5 per cent. gold notes which were put out early in August of this year. From October 1 to the commencement of this week transactions in these bonds on the curb footed up a total of $4,105,000. The notes are in denominations of $1,000 so the small investor is really counted out on the buying.

Last week though foreign government securities showed no rallying power in this market the Canadian Government two-year notes moved contrary to the general trend by recovering 1¾ points from the year's low of 93. (These notes were first issued at 98 and interest.) "This was interesting," says the *Wall Street Journal*, "in view of the fact that Canada is now floating her fourth war loan."

In the closing week of October the severe liquidation of all securities resulted in $1,299,000 Dominion of Canada two-year notes being thrown on a falling market. That was when the price broke to 93. Since then there has been a slightly better buying power for these notes. In the first week of November $935,000 was the week's turnover; in the second week, $215,000 and last week, $213,000.

With Canadian banks in New York and representatives of Canadian bond houses in Wall Street refraining from any public canvass on behalf of the Victory Loan — due to instructions from Washington — it was somewhat surprising to see the prospectus for the Victory Loan forming the sole window dressing in the lower Broadway store of a widely known fountain pen company. Canadians in New York were invited to "come in and sign up with the ——— fountain pen, for a Canadian Victory bond."

NOT EXCESSIVE.

Statement Issued As to Cost of Victory Loan Organization.

Doubtless in reply to criticisms that the Victory Loan was being floated at heavy expense to the Government, the following official statement on this point has been issued:—

"The organization of Canada's Victory Loan is nation wide. There are special committees with chairmen at their head charged with the duty of promoting the success of the loan in each Province, city and county of the Dominion. Honorary committees have also been formed in the larger centres. All the professional bond and stock exchange houses were commandeered by the Finance Minister some weeks ago, in order that their entire organization might be devoted to the loan. They will not be paid upon a commission basis as in the past, but their remuneration will be fixed later, having regard to the work actually performed. The special workers who will be engaged for about a month in canvassing for the smaller subscriptions in cities, towns and rural districts will be paid for their services and expenses upon a commission basis. Many local chairmen report that the remuneration to these workers will be less than their actual expenses. Reports have come in that many canvassers will devote any commission to the patriotic or Red Cross work. All the larger subscriptions are in charge of special committees, and upon these no commission is paid. The percentage of flotation charges in connection with this issue will be much less than in the case of the previous war loan. The Finance Minister decided that it was not necessary to have the banks underwrite any part of the Victory Loan, and this will result in a substantial saving."

The council of the district of Saanich, B.C., has decided to take up $54,000 of the new Victory Loan, surrendering therefore an equal amount of bonds of the older issues. They also secured the investment of a further $6,000 by taking up debentures of the district to that amount, the sellers agreeing that the amount received by them from the municipality should be placed in the loan. These deals are in connection with the investment of the sinking fund.

The Southern Alberta General Committee, of which Robert J. S. Stead is acting as chairman of the publicity sub-committee, has produced a special booklet describing the organization and giving a series of questions and answers about the Victory Loan. Hon. C. R. Mitchell, provincial treasurer, is honorary chairman for Southern Alberta, and William Toole and G. R. Marnoch are chairman and vice-chairman respectively.

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INQUIRY IN NEW YORK.

Sales of Liberty Bonds on Stock Exchange Under Investigation.

The committee on business conduct of the New York Stock Exchange began this week an investigation of the sale of Liberty Loan 4 per cent. bonds. George W. Ely, secretary of the exchange, sent out a letter requesting all members to furnish detailed information regarding their transactions in Liberty bonds on Saturday, November 10, Monday, November 12, and Tuesday, November 13. Up to Saturday the 4 per cent. had sold at par, or above, but on that day $114,000 changed hands at 100, and a similar lot at 99.98. On the following Monday there was heavy trading, and the bonds declined to 99.96, and on Tuesday they dropped to 99.80.

Brokers have been asked to give the names of the parties for whom and to whom they sold and bought Liberty bonds on those three days, together with the prices paid. It is understood that the purpose of the inquiry is to find out if any member traded in bonds which were not immediately available for delivery, the exchange authorities having promised the Liberty Loan Committee that transactions would be restricted to cash dealings in actual bonds. It appears that the bulk of the selling orders executed on the exchange were received from out-of-town, and some brokers said to-day that Chicago received the bonds before New York did. It was assumed that bonds traded in on the exchange were limited to the so-called "cash bonds" sold over the counter during the loan campaign, of which the New York Reserve Bank distributed about $60,000,000, and the rest of the country approximately $40,000,000.

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Established 1855
President—W. G. Gooderham.
First Vice-President—W. D. Matthews.
Second Vice-President—R. S. Hudson.
Joint General Managers—R. S. Hudson, John Massey.
Superintendent of Branches and Secretary—Geo. H. Smith.

Paid-up Capital	$ 6,000,000.00
Reserve Fund (earned)...	5,000,000.00
Investments	32,264,782.81

DEBENTURES
For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a Legal Investment for Trust Funds.
We shall be pleased to forward a specimen Debenture, Copy of Annual Report and full information to any address we receive.

FIELD OF MUNICIPAL FINANCE

BOND ISSUES TO BE LIMITED IN THE STATES

Direct Appeal to be Made to the Governors of Every State.

INDIANA'S EXPERIENCE

There the Governor Sent Letter to All Municipalities and Counties Asking Them to Refrain from Issuing Bonds.

It is likely that following the recent meeting in Baltimore of the American Investment Bankers' Association, a direct appeal will be made to the governor of every state in the union to issue a proclamation calling on financial boards of states and cities to withhold all bond issues which can possibly be dispensed with at the present time. The matter came to a head after an address on the conservation of capital by Thomas F. Curtis, Secretary of the Federal Reserve Bank of New York.

Mr. Curtis presented the question: "Shall we have a board with authority to supervise and control the issue of capital during the war?" After pointing out the way England solved the problem by placing absolute authority in the hands of the government to control all financing, he said:—

"Of course in England they have a situation that is far easier to handle than it is here. We have forty-eight States and every one of the forty-eight, for this character of expenditure, is a State's Rights State. They know what they need their money for and every city knows what it needs its money for, and they want to have it. So that when you come to municipal and State financing it will be very difficult to handle it except on the basis of co-operation with the executives. If the Government could get the Governors of all the States committed to a co-operative plan, the thing could be worked, but I doubt very much if you would ever get through Congress a law requiring the States to submit their proposed financing to a Government board, and I also doubt whether it would be constitutional if you could get it through. The same, of course, applies to cities. So that, so far as the municipal side goes, I think there is no question that it must be done by co-operation."

The Indiana Plan.

In a discussion following Mr. Curtis' address, the following statement was made by W. H. Wade, of the Fletcher-American National Bank of Indianapolis:—

"Along the line of the remarks of the Secretary of the Federal Reserve Bank of New York, I desire to say this: Several months ago the Governor of the State of Indiana, through the State Board of Accounts, at the suggestion of the bond men of Indiana, sent out a letter to all municipalities and counties asking them to refrain from issuing any bonds except for refunding purposes, and where the needs were for war purposes. The Governor had no law to compel the municipalities to do such a thing, but I will say that the result of that suggestion has been that in Indiana, when ordinarily we have several millions of dollars of bonds for sale at this time, the bond houses own at this time less than three hundred thousand dollars of Indiana municipal bonds. You can call it suicide, if you please. I think it possible that we are not only protecting ourselves but contributing a little to the Government.

"I have been through two Liberty Loan campaigns in Indiana and we have suggested, with a great many of our county chairmen, that they immediately organize their counties on a war basis, if you please. It matters not to the bond man, only from a selfish standpoint, as to how many municipal bonds he may sell at a profit or a loss during the year. The figures given here a few minutes ago showed that about one-half of the financing in the last three years was for municipalities and counties, and by co-operation on the part of the States and the Investment Bankers' Association that could be easily brought down to 25% or three-quarters of the financing could be cut off. The only bonds that we are buying at the present time are refunding bonds, bonds that may become due for such cities where they absolutely need funding operations to take care of their indebtedness.

"I think this is a most serious matter and one to which we should give our careful consideration, because if this war lasts one year or ten years—and the likelihood of its lasting five or ten years is just as favorable as the likelihood of its lasting two years—if we do not get on a war basis in 1917 and 1918 it will be forced upon us in 1919. So I think for Indiana you can count on their going on an absolute war basis, not only the bond men, but the banks and communities as well."

THRIFT STAMPS.

Interesting System Under Which These Will Be Sold in the United States.

The following explanation of the system under which thrift stamps will be sold in the United States, in connection with the war-savings plan, which goes into operation on December 3, will be of interest.

Stamps, which are the Government's certificates of indebtedness, are to be sold in two denominations—thrift stamps, which cost 25 cents each, and war-savings stamps, which cost from $4.12 to $4.23 each according to the month in which they are purchased.

With the first thrift stamp the purchaser is given a thrift card with spaces for 16 stamps. When 16 thrift stamps have been purchased and affixed the thrift card can be exchanged for a war-savings stamp by paying the difference between the $4 the thrift stamps represent and the current value of a war-savings stamp, which in December, 1917, and January, 1918, will be $4.12, and thereafter 1 cent for each succeeding month during the year 1918.

Exchange for Certificates.

With the first war-savings stamp obtained by purchase or exchange the owner is given a war-savings certificate containing spaces for 20 war-savings stamps. If the 20 spaces are filled during December, 1917, or January, 1918, the cost to the purchaser will be $4.12 for each stamp, or $82.40 for the full certificate, and on the 1st day of January, 1923, the Government will redeem the certificate at $100, giving the holder a net profit of $17.60 for the use of his money.

Although these investments do not mature until January 1, 1923, provision is made whereby upon 10 days' written notice after January 1, 1918, such certificates will be redeemed by postmasters at their cost to the purchasers plus 1 cent a month on each war-savings stamp on the certificate.

The thrift stamps do not bear interest, but the war-savings stamps bear 4%, compound quarterly. The certificates will be dated January 2, 1918, and mature January 1, 1923.

Under the plan an amount as small as 25 cents can be invested in a Government security, and as soon as $4 has been thus invested an interest-bearing certificate of the United States Government can be secured.

The stamps and certificates can be obtained from post offices, banks, or trust companies, at most railroad stations, stores, factories, and many other public places.

British Labor Minister Roberts says that his department has already placed 62,000 men discharged from the army in civil employment and that plans are being carefully laid for gradual demobilization of troops and munitions workers after the war.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Drayton, Ont.—$9,500 for hydro-electric distribution plant, in 6 per cent., 30-instalment bonds. No date named for accepting tenders.—A. C. Woodman, Village Clerk.

BY-LAWS PASSED OR DEFEATED.

Leamington.—$22,752 for waterworks improvements and water main extensions; $2,700 for extensions and improvements to natural gas plant, passed by council, Nov. 6. Bonds to be 6 per cent., 20 and 10 years respectively.

Halton County.—$40,000 in 20-year, 6 per cent. debentures, being the county's share of the cost of erection of Tansley bridge, passed by council, November 6.

St. John, N.B.—$55,400 to cover the reconstruction of warehouse and railway trestle at St. John harbor, recently destroyed.

SASKATCHEWAN.

The following is a list of Authorizations granted by the Local Government Board from Nov. 5 to 9.

School Districts.—Tanglenook, $2,000; Krobol, $800; Tranquillity, $2,500.

Rural Telephone Companies. — Star City, $13,300; Atwater, $11,300; North Quill Lake, $5,400; Manitou Lake, $24,700; Eastern, $5,500; South Forget, $1,100.

The following is a list of Debentures Reported Sold from Nov. 5 to 9.

Rural Telephone Companies.—Aneroid South, $18,200, W. L. McKinnon & Co., Regina; Willow Moor, $8,700, T. R. Billett & Co., Winnipeg; Hohenloe, $3,700, Christie, Mund & Langenburg; Longlaketon, $1,200, Stanley Hutton; Stranraer, $15,-800, Somerville & Olson; Manor, $3,600, Winnipeg Sinking Fund; Reford, $10,-200, W. L. McKinnon & Co.; Kent, $1,400, Stanley Hutton.

BOND SALES.

$1,000 Canada Cement at 97½; $1,000 Dominion Iron at 86½; $1,000 Rio at 81¾; $110,800 War Loan (1925) at 95¼ to 95; $67,100 War Loan (1931) at 95⅝ to 94½; $92,000 War Loan (1937) at 94 to 93½.

MARKET AFTER LOAN CAMPAIGN IS CONCLUDED

Much Will Depend on Extent to Which the Loan is Subscribed.

MAY BE SOME MONEY

Desirable That Municipalities Should Pare Down Capital Expenditures to the Very Lowest Figure Possible.

Municipal officers throughout Canada must have become impressed by this time with the absolute cessation of all municipal bond business since the Victory Loan campaign was launched. The few sales reported by the Local Government Board of Saskatchewan were of course completed before the loan was floated and are in fact several weeks old. Apart from these there have been practically no sales. Never before in the history of the bond business has there been such a condition.

Naturally the question arises, whether the market for municipals will revive to any extent after the Dominion campaign is over. Much will depend on the success of the loan. If it should reach the $300,000,000 mark and if the big institutional investors are relieved of a portion of their subscriptions, two results will follow. The next call for money will be postponed for a twelve-month and the large financial institutions will have funds available during 1918 for other investments. It is devoutly to be hoped therefore that the Victory Loan objective will be reached and exceeded.

Even if this should prove the case it does not follow that the municipal market will strengthen up. Municipalities needing capital will simply have to take it for granted that they must pay a stiff price. The absorptive power of the Canadian market will be limited in any case and it may very well be a condition that the first to enter the market will obtain the best deal.

It is true that there are always a certain number of people who prefer municipals to any other form of investment. Whether this class have now become loaded down with Victory Bonds to the extent of preventing further buying of bonds remains to be seen. If the regular municipal buyers are still available and the institutions will have funds to invest, the market may not prove so very narrow.

The lesson to be learned, however, is that municipal borrowing must be pared down to a much smaller figure than has prevailed at any time since the war started. If this is not done voluntarily it is by no means impossible that the Government will step in and take action to compel it.

A BIG CAMPAIGN

Being Arranged for Sale of War Savings Certificates in U.S.

Plans for placing war savings stamps on sale in at least a million establishments in the United States for the campaign opening December 3 were made last Saturday by Treasury officials and the War Savings Committee. Schools and groceries, cigar stands and other retail stores will not be required to buy the stamps, but may obtain them on consignment for sale. This scheme is expected to result in the participation in the savings movement of many thousands of small dealers who otherwise could not afford adequate investment to keep a supply of the stamps on hand.

The stamps and certificates will be distributed through two principal channels, the Post Office system and the banks. Plans will be worked out within two weeks to permit virtually any retail dealer to go to a bank or post office, give bond as security and take a quantity of the stamps to sell. Contracts may be made by some State campaign managers to give exclusive sale of the stamps to certain establishments with the understanding that they give special attention to advertising.

Billboards over the country already are displaying the "W. S. S." slogan adopted for the war savings stamps campaign, and advertising posters are being distributed in preparation for the campaign opening. The Government printing office has prepared thousands of manuals containing a catechism on war savings information.

Credit-Canada, Limitée
Government, Municipal and School Bonds
President. Hon. H. B. Rainville
Managers { E. A. Ouimet / F. Saint-Pierre
179 St. James Street, - Montreal, Canada

A NEWSPAPER DEVOTED TO MUNICIPAL BONDS
There is published in New York City a daily and weekly newspaper which has for over twenty-five years been devoted to municipal bonds. Bankers, bond dealers, investors and public officials consider it an authority in its field. Municipalities consider it the logical medium in which to announce bond offerings.
THE BOND BUYER
25 WEST BROADWAY NEW YORK, N.Y.

PICCADILLY
LONDON
Smoking Mixture
The art of blending tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture.
2 OUNCES 25¢

Make the Most of Travel
THE passenger to the Pacific Coast is today offered a choice of routes that renders it unnecessary to re-trace his steps and opens up a wealth of new scenery and outdoor sport.
Do not fail to visit Jasper and Mount Robson Parks with their wonderful mountains, gorges, glaciers and cataracts.
Here the protection given to game has increased the quantity and reduced the fear of man. Mountain sheep and goat, the most wary of animals, are seen feeding on the hills, and coming down to the railroad in view of passing trains.
For further particulars see our booklet "The Canadian Northern Rockies," or apply to the General Passenger Department, Montreal, Que.; Toronto, Ont.; Winnipeg, Man.
CANADIAN NORTHERN RAILWAY

Announcement
We have started our new Plate Mill, and are Manufacturing Plate from ¼ in. to ¾ in. thick, 24 in. wide, any weight up to 500 pounds.
Dominion Steel Foundry Co., Limited
HAMILTON, ONTARIO

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
Various	(see above)						
Nov. 9	Saskatchewan, telephone companies..	.....	7%	15-ins.	$82,800	.....	

LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO
E. P. Clement, K.C., President — Geo. Wegenast, Managing Director

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
SURPLUS TO POLICYHOLDERS, $1,820,752.82
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED.

NEW RECORDS

Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to

Total Benefits Paid 53 Million Dollars

FRED J. DARCH, Secretary — W. H. HUNTER, President — S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - TORONTO

It is a pleasure for me to announce to the readers of this paper that my directors see fit to donate this space, which may help in the sale of Canada's Victory Bonds.
A. H. C. CARSON, President.

London Mutual Fire Ins. Co. of Canada
HEAD OFFICE - - TORONTO
Victory is at stake and your dollars are needed to end the struggle. Buy
Canada's Victory Bonds
They will yield good returns, and are a safe investment.

INSURANCE
BANKING
BUSINESS
Advantages

Result from a Scientific Appraisal of your business establishment.
Expert detailed presentation of the facts is essential and invaluable.
Full particulars upon request without obligation to you.

Canadian Appraisal Co., Ltd.
TORONTO—Royal Bank Bldg. NEW YORK—Equitable Bldg.
Head Office—17 ST. JOHN ST., MONTREAL

INVESTORS' INSURANCE NOTES

GOVERNMENT IS SURETY FOR MISSING MEN

Refund Payment of Death Claims if Insured is Really Alive.

RELIEF FOR BOTH PARTIES

Companies Saved From Vexatious Litigation and Many Dependents Freed From Distressing Conditions.

Some interesting information has been made public of action that was taken by the Superintendent of Insurance to guarantee a quick settlement of claims on behalf of men who were killed at the front. This resulted in an order-in-council that directed the insurance companies to accept the official certificate of death as issued by the Department of Militia without waiting for corroboration of comrades of the man who fell; while the companies on their part were protected from all possible error in the Government certificate through a clause that guaranteed re-payment out of the Consolidated Revenue Fund to the company in case of failure on the part of the beneficiary to make a refund.

This arrangement, THE FINANCIAL POST is informed, has worked out very satisfactorily to all concerned, saving the beneficiaries of the assured from long delays that might have forced them into debt and hardship, while the insurance companies have been able to settle up these policies without holding them over until the end of the war, and bringing on themselves much vexatious litigation. Up to the present—and the arrangement has now been in force for several months,—there has been no case recorded where the man who had been reported as dead has turned out to be alive.

Considerable Difficulty.

The Superintendent of Insurance in a memorandum to the Minister of Finance, stated that the life insurance companies were having "considerable difficulty in obtaining satisfactory proof of the death of enlisted policy-holders reported killed in action or missing and believed to be dead, and the dependents of these policy-holders complain at the delay in settlement of their claims."

In practically all policies issued it is provided that "satisfactory proof of the death of the insured" shall be furnished before the claim will be paid, but there had been a wide difference in the practices of the companies in interpreting this clause Some paid the claim on the receipt of the first report of the death. Others awaited the official certificate of death by the Department of Militia and Defence; while others required in addition to this corroborative evidence such as letters from the insured's comrades or officers who had seen his body after death. Some companies too had reported that errors had been made in the official reports and that "claims had been paid on the strength of such reports, and the insured later found to be alive." In the words of the Superintendent of Insurance "The companies contend that they are justified in the interests of their policy-holders in general in refusing to pay the claims until complete evidence of death is produced."

The Missing.

An additional difficulty arose in the case of those who were reported as missing, and believed to be dead Some companies took the view that "they should not be required to pay these claims until after the termination of the war." It also came to the attention of the Insurance Department that in some cases relatives of the insured were required to continue the premiums on the assumption that the assured might still be alive. The Militia Department in reply to this point reported to the Superintendent that only after six months had passed and after all inquiries had been made was an official certificate issued presuming death on the part of the man who had been reported "missing." The department also denied that any case had occurred where an official certificate of death had been issued where the man afterwards had been found to be alive.

The Insurance Department was confronted with a situation that dependents of dead or missing soldiers were being embarrassed "and in some cases reduced to a state of dependence by the delay in payment of these claims," while the insurance companies on their part ought not to be prejudiced by the failure of their officers to obtain the most complete evidence of death possible under the circumstances.

Superintendent's Recommendation.

The Superintendent recommended as a means to protect both parties that the Insurance Act be amended to require the companies to accept as satisfactory evidence of death the official certificate of the Department of Militia and Defence, and to pay the claims on production of such certificates, while the Government should become surety in the event of the insured in any case subsequently proving to be alive, for the return to the company of the amount by which the payment made to the beneficiaries of the insured exceeds the actuarial reserve on the company's basis at the date of payment."

These recommendations were approved by order-in-council under the War Measures Act, and are in effect.

INSURANCE RATES.

New England Insurance Exchange Votes to Advance Them 10%

The New England Insurance Exchange has unanimously voted to apply a flat 10 per cent. increase in the rates for fire insurance in its territory, with the exclusion of sprinklered risks approved by the factory improvement committee. The increase takes effect at once. The Massachusetts Fire Insurance Union has also taken similar action applying to dwelling-house risks. It is estimated that the increase in premiums within the jurisdictions of the Boston Board and the New England Exchange will approximate $2,500,000.

EXCEEDS LAST YEAR.

Business of Imperial Life Already Ahead of Whole of 1916.

The Imperial Life Assurance Co. reports new business issued in October of $1,314,094, bringing the total new business for the first ten months of the year up to $11,617,481. As the new business for the whole of 1916 was only $10,556,806, the improvement this year is already quite marked. The actual gain in business in force at the end of October was $8,434,856, an increase over the 1916 gain of $2,316,474.

CONSERVATION URGED.

Mutual Life Makes Strong Plea for Continuance of Policies.

A plea for conservation in the life insurance field is put forth by the Mutual Life Assurance Co. of Canada in their latest agents' bulletin. It is pointed out that while in 1916, by the united efforts of agents of Canadian life companies, $158,404,000 of new business was written in the Dominion. $65,000,000 was lost by lapses and surrenders alone—and there were issued policies to the amount of $13,000,000 that were not accepted.

"This," says the bulletin, "represents an enormous waste of time and effort on the part of agents; it represents, too, a great waste of time and money on the part of the prospects, and it represents a great waste at the head offices of the various companies in handling 'business' which for the most part evaporated in the second year."

A CASE OF USURY.

One Crops Up in Connection With Soldiers' Insurance in Toronto.

The legal department of the City of Toronto is of the opinion that it has discovered a breach of the Usury Act in connection with a claim for soldiers' insurance. Three years ago an Earlscourt woman borrowed $180 and gave what she thought was a mortgage as security. It turned out that she had given a straight deed of her property for a consideration of $201, of which she received $180 in cash. She received an agreement from the lender that he would sell her property back to her for a consideration of $250, making the interest on the loan 12 per cent. and a bonus of $70. The Act limits the interest on loans up to $500 to 12 per cent.

SUES FORESTERS.

Chatham Lawyer Brings Action for Recovery of Commissions.

Matthew Wilson, K.C., of Chatham, has entered action in London, Ont., against the Independent Order of Foresters for $41,750, one of the largest amounts ever named in a suit in local court annals.

Through Meredith & Fisher, his local solicitors, Mr. Wilson sets up the claim that he is entitled to 2½ per cent. commission on the sale of 15,000 shares of the stock of the Union Trust Company, which, he says, he disposed of in March, 1916, at 110. or $1,650,000. He also claims his right to interest on the amount of the commission he seeks to collect from the time of the sale until the trial, which will take place in London.

The United States Fidelity and Guaranty Company have opened a branch office at No. 516 McIntyre Block, Winnipeg, to handle the growing business of the Canadian West. A. J. Gurtin will be one of two managers, and Clarence M. Neith, resident secretary.

INCREASE IN LIABILITY RATES IS DUE

Will Provide for the Higher Costs of Conducting Business as Result of War.

WORKMEN'S COMPENSATION

Advances Will Apply To All Territory in Which National Workmen's Compensation Service Bureau Operates.

A substantial advance in premium rates on all liability and workmen's compensation risks, to provide for the higher costs of conducting business as a result of the war, is at present under contemplation in the United States, and will very likely be established within a short time. It has been pointed out by managing underwriters that due to war conditions there have been serious increases in all the factors which go to make up the expense ratios of the companies. These include taxes, postage, express, furniture and fixtures, stationery and printing, telephone and telegraph, rent, traveling, inspections and last, but not least, salaries of all home office and branch office employees.

The question of advancing rates to meet these conditions was given serious consideration at the last meeting of the National Workmen's Compensation Service Bureau, and it appeared to be the general opinion of the members that such an advance for all liability lines is imperative. It is, therefore, expected that an increase in premium rates somewhat commensurate to the higher cost of doing business will shortly be announced to apply to all liability rates, including employers, public, general, elevator, teams and automobile, although the latter is at present in process of readjustment.

As regards increasing workmen's compensation rates, the matter was referred to the National Reference Committee with a request that a meeting be called early next week to give the question of rate advance consideration. As these causes which necessitate higher premiums are equally applicable to all classes of business, it is expected that when action is taken it will be in the nature of a flat advance.

The advance, if established, will apply in all the territory in which the National Workmen's Compensation Service Bureau operates, and will undoubtedly have a powerful influence in bringing about an equal increase in the rate manuals throughout the balance of the country.

U. S. WAR INSURANCE.

Applications Now Total Over Half a Billion Dollars.

Up to the close of business last Saturday applications for more than $552,000,000 of life insurance had been received by the Military and Naval Division of the Bureau of War Risk Insurance of the Treasury Department at Washington.

This represents a little more than one month's operation of the War Insurance Act. Under the law, soldiers, sailors, marines and nurses in active service, in addition to family allowances and death and disability compensation furnished by the Government without charge, may buy from the Government life insurance up to $10,000 at a rate of from 65c a month at age 21 to $1.20 a month at age of 51 for each $1,000 of insurance.

Since October 8 the military and naval divisions of the Bureau of War Risk Insurance has received 64,158 applications, representing insurance of $552,093,000.

The average amount of insurance applied for, counting officers and men, is $8,603.

Applications are coming in at the rate of approximately four or five thousand a day—often close to six thousand. The amount of insurance applied for on a given day ranges from twenty to fifty million dollars.

The figures do not include applications from the American overseas forces, which are known to be substantial. The first formal applications from France are not expected to arrive in Washington for several weeks. Intensive efforts are being made at all National Guard and National Army camps, and among the naval forces, to explain the terms of the new war insurance law.

Colonel C. R. Howland, 343rd Infantry, Camp Grant, Illinois, in a letter received by the Department, said that he was forwarding in two registered mail sacks 14,037 applications, totaling $9,515,500.

"This makes a total of insurance written by me in this division of $109,376,500," said Colonel Howland.

The figures given by Colonel Howland have not been added to the official totals, because the applications are not yet to hand.

A conference of the insurance superintendents of the provinces of Canada for the purpose of discussing uniform insurance laws throughout the various provinces will be held at the Fort Garry Hotel, Winnipeg, on December 5, 6, 7 and 8. The principal subjects for discussion will be the standardization of health and accident contracts and automobile insurance.

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor. — W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer. — J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

BUY
Canadian Victory
WAR LOAN
BONDS
(This space is donated by the Western Assurance Co., Toronto.)

BUY
Canadian Victory
WAR LOAN
BONDS
(This space is donated by the British America Assurance Co., Toronto.)

"Success Breeds Success"
Place your insurance in the successful institution
The Dominion Life Assurance Company
It has an unbroken record of High Earnings
Head Office, - Waterloo, Ont.

The Man Who Carries No Life Insurance
is in no more danger personally than the man who does—but his wife and children are. Instances innumerable go to show that a Life Policy offers the surest way of providing for dependent ones, and the only way within the reach of the great majority.
Under the Limited Payment Policies of the Great-West Life the Insured not only protects his family, but provides for his own future as well. Rates are low and within the reach of all. Ask for rates at your own age.
The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World.
We Present a Record—Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

PURELY A MATTER OF BUSINESS

A Message That is Intended for Business Men Only

(BY A BANKER)

Do you remember the first thousand dollars that you ever borrowed at a bank—the thousand that started you into business for yourself?

Made you want to pinch yourself to see if you really were awake—didn't it?—to walk out of the bank with ten one hundred dollar bills of the Bank's money—and all in the world the Bank had for it was your name on a piece of paper. And the funny part of it was, that it wasn't the Bank's money at all, the Bank had borrowed it from somebody else, that same day—and all somebody else had to show for it was THE BANK'S name on a piece of paper.

Where did this thing start?—It's like the old question—

Is the hen the parent of the egg—or the egg the parent of the hen?

Then you examined one of your ten crisp Bank notes and found the answer—here was another piece of paper with a name on it—the name of the Dominion of Canada—promising to pay the bearer one hundred dollars on demand.

Upon the ability of the Dominion of Canada to meet that obligation rests the credit of the country and the transaction of business.

And now, Mr. Business Man, the Dominion of Canada which made it possible for you to borrow the first thousand dollars which set you up in business is asking you for a loan at this time—and a whole lot more depends upon the loaner now than was the case when you made that first "touch" of yours. The Country's business would have gone on about as usual if you had not borrowed that thousand—but unless you want to finance your business with "MARKS" in the future, you had better lend Canada all the dollars you can honestly spare NOW.

Your business—your credit—your securities will not be worth a plugged "pfennig" if our common enemy wins the war.

Protect your own interests by subscribing for Victory Bonds—all you can buy—

And if you want to ensure yourself that you will continue doing business when the war is over—let Canada borrow from you some of your money now when the country really needs it.

Your money—your sacrifice—may be just what it will take to turn the tide of war to the time of peace.

You know your duty—you believe in your own loyalty—act to-day.

If your income is $2500 or over and you have bought but a $50 Victory Bond do not try to satisfy your conscience that you have done your full duty—you can do more—

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SEALED TENDERS, addressed to the undersigned, and endorsed "Tender for Freight Elevators, Printing Bureau, Ottawa," will be received at this office until 4 p.m., on Tuesday, December 4, 1917, for the installation of freight elevators, at the Government Printing Bureau, Ottawa.

Plans and forms of contract can be seen and specification and forms of tender obtained at the offices of the Chief Architect, Department of Public Works, Ottawa, the Overseer of Dominion Buildings, Post Office, Montreal, and of the Clerk of Works, Postal Station "F," Yonge St., Toronto.

Persons tendering are notified that tenders will not be considered unless made on the printed forms supplied, and signed with their actual signatures, stating their occupations and places of residence. In the case of firms, the actual signature, the nature of the occupation, and place of residence of each member of the firm must be given.

Each tender must be accompanied by an accepted cheque on a chartered bank, payable to the order of the Honourable the Minister of Public Works, equal to ten per cent. (10 p.c.) of the amount of the tender, which will be forfeited if the person tendering decline to enter into a contract when called upon to do so, or fail to complete the work contracted for. If the tender be not accepted the cheque will be returned.

The Department does not bind itself to accept the lowest or any tender.

By order,
R. C. DESROCHERS,
Secretary.

Department of Public Works,
Ottawa, November 20, 1917.

Newspapers will not be paid for this advertisement if they insert it without authority from the Department.

Norwegian banking interests recently have purchased a considerable amount of United Kingdom of Great Britain and Ireland 5½ per cent. notes in this market. One bank alone is said to have bought $1,000,000 of the issue.

BANK OF MONTREAL ASSETS EXCEED $400,000,000

Increase of Over $100,000,000 in Last Three Years Makes New Record.

DEPOSITS $246,000,000

Also a New Figure for Canada—Large Sums at Disposal of Canadian and Imperial Governments—Profits of $2,477,969.

It was a fitting climax to the completion of one hundred years of a sturdy and honorable life that the Bank of Montreal should turn the $400,000,000 mark in its assets, and that the savings deposits should approach within $4,000,000 of one quarter of a billion. The figures are even more impressive when it is recalled that at the close of 1914 the assets were $11,000,000 below the $300,000,000 line, and the deposits barely $167,000,000.

From the standpoint of the shareholder it is satisfactory to record that the net earnings showed an increase of $277,498, rising from $2,200,471 last year to $2,477,969. This represents 15.5 per cent. on the paid-up capital stock of $16,000,000. From this was deducted the ten per cent. dividend, $1,600,000; the regular 2 per cent. bonus (1 per cent. half-yearly), $320,000; war tax of $160,000, $47,500, part payment on patriotic funds subscriptions of $73,500, and $100,000 set aside for bank premises account. The balance available for profit and loss account was thus $250,469, as compared with $120,471 last year, making the total profit and loss balance, $1,664,893.

	1917.	1916.	1915.
Forward	$1,414,424	$1,293,953	$1,232,669
Profits	2,477,969	2,200,471	2,108,631
Total	$3,892,393	$3,494,424	$3,341,300
Dividends ...	1,920,500	1,920,000	1,920,000
Patriotic	47,500	....	....
Premises	100,000	....	....
War Tax	160,000	160,000	127,347
Balance	1,664,893	1,414,424	1,293,953
Total	$3,892,393	$3,494,424	$3,341,300

Coming to the actual operations of the bank during the year it is seen that the basis of its growth, deposits, showed in its savings department an increase of $35,000,000, from $210,439,031 to $246,041,786—or $98,000,000 in the last four years. This represents the bank on its more passive side, as a recipient. The peculiar war conditions that are in operation are reflected more, however, in the attitude that the bank has taken in the handling of its funds. This as in the case of the first that reported for the current year, took the form of placing itself in a position to render all assistance possible to the government in its war financing, and to huge national enterprises such as the financing of the wheat crop, and the advancing of monies to the Imperial Munitions Board to enable contracts to be continued in Canada. Thus external reserves consisting of bank balances abroad were reduced from $31,000,000 to $16,000,000, and call loans abroad from $113,000,000 to $100,000,000, a total reduction from $144,000,000 to $117,000,000. On the other hand investment in war loans in Canada raised the amount of provincial and Dominion Government securities from $419,736 last year to a total of over $28,000,000 this year. The aid that was given to Imperial activities is indicated by an increase in Canadian municipal securities, and British, foreign and colonial public securities other than Canadian, from $21,000,000 to $33,000,000, since last year, and from less than $1,000,000 three years ago. This increase was due to purchases of Imperial war loans and to financing for the Imperial Munitions Board.

With the cutting down of call loans abroad, and the increasing demand that developed for funds for war purposes, the bank still found itself able to look after the needs of private enterprise in Canada to the extent of $97,000,000 in current loans and discounts, as compared with $93,000,000 one year ago. This however is $3,000,000 less than three years ago when the total was over $100,000,000. This decrease is due to the fact that commercial customers have been able better to discharge their obligations.

The note circulation has reached a new high mark also, over $29,000,000, an increase of nearly $8,000,000 over last year, and $10,000,000 in the last three years. There is a deposit of $14,500,000 in the Central Gold Reserve, compared with $7,500,000 one year ago against excess note circulation.

Ratio of Liquid Assets.

According to the analysis of THE FINANCIAL POST as shown in the following table, the ratio of immediately available liquid assets to total assets at 62.52 per cent. is slightly lower than a year ago, although there has been a considerable increase in the actual amount. Likewise the ratio to total assets at 57.33 per cent. is also slightly below the last annual report:

Immediately Available Liquid Assets.

	Assets.	Change.
Specie	$ 20,592,892	—$ 447,911
Dom. notes	30,760,233	+ 10,487,017
Note cr. dep. ...	790,000	......
Notes, bank ...	1,494,676	— 254,765
Call loans ab'd.	100,610,214	— 12,391,883
Bank bal. ab'd..	16,629,090	— 15,002,148
Gov. securities .	28,573,322	+ 28,153,585
Gold reserve ..	14,500,000	+ 7,000,000
Cheques	17,111,090	+ 2,278,222
	$231,061,517	+$19,822,117
% of pub. liab. .	62.52	— 1.26
% of total assets	57.33	— .51

Other Assets.

Public sec.	$ 33,455,255	+$11,659,096
Other sec.	12,571,626	— 1,375,495
Current loans ..	97,607,405	+ 3,878,340
Elsewhere	10,045,812	+ 3,567,549
Municipal	11,415,384	+ 159,812
Over. debts. ...	371,629	+ 20,675
Bank premises .	4,000,000	......
Lets. of cred. ..	3,335,499	+ 1,156,139
Other assets ..	116,109	— 123,538
	$172,918,719	+$18,942,578
Total Assets ..	$403,980,236	+$38,764,695

Liabilities to Public.

Circulation	$ 29,308,086	+$ 7,528,952
Demand dep. ..	71,114,642	— 17,652,376
Savings	246,041,787	+ 35,602,755
Due banks	4,147,483	— 1,515,908
Due elsewhere.	496,621	— 48,661
Acceptances ...	3,335,499	+ 1,156,139
Bills payable ..	1,024,347	— 201,589
Due Dom. Gov..	13,638,962	+ 13,638,962
Other liab.	644,276	+ 5,744
	$369,751,703	+$38,514,018

Liabilities to Shareholders.

Capital	$ 16,000,000	$ ......
Reserve	16,000,000	......
Dividends	563,640	+ 207
Balance	1,664,893	+ 250,470
	$ 34,228,533	+$ 250,677
Total	$403,980,236	+$38,764,695

NEW BOOTH ISSUE.

Big Fishing Concern With Six Canadian Subsidiaries.

Special to The Financial Post.

NEW YORK.—In connection with a new offering of $250,000 Booth Fisheries Company's cumulative 7 per cent. preferred stock, the main interest for Canadians lies in the fact that this big concern has six Canadian subsidiaries.

The Canadian companies operating under this Delaware corporation head are:—The Armstrong Trading Company of Manitoba; The Dominion Fish Company, Ltd.; The Dominion Transportation Company of Ontario, The M. Doyle Fish Company of Ontario; The Winnipeg Fish Company, and the Booth Fisheries Co. of Canada, Ltd. the latter a million dollar incorporation of last year. The new stock is being offered to shareholders on an 8 per cent. basis.

President Ames estimates that this year's net earnings will be $2,500,000 after providing for all charges, including a $500,000 war tax. On January 1, 1917, the company showed a surplus after fixed charges and dividends of $792,082. The company has tangible assets of $12,000,000.

FINANCING UTILITIES.

Capital Being Scared Away From Traction Enterprises.

NEW YORK.—Investors are fighting shy of electric railroads' securities. Very few of them are paying dividends, and now it has become impossible for all except a very few to borrow money on bonds. This inability to get capital means, if the condition is not relieved by an increase of income for the railways, that the standard of service is threatened, and extensions and new building will be impossible. The above is brought out forcibly in a paper read by T. H. Dudley Perkins at the convention in Atlantic City, of the New Jersey Utility Association, a portion of which follows:

"There is one thing more difficult than talking on the subject of 'The Financing of Public Utilities,' and that is the actual financing of public utilities at the present time. In a word, it is virtually impossible to do any new financing of public utilities. . . . Indeed, the question of renewal of maturing obligations is in itself a most serious problem, with each new piece of financing being done on a higher interest basis than the last.

"With the exception of those cases where the maturity is provided for by instalment payments as in car trust or equipment trust issues and other serial issues where the company puts aside out of its earnings certain cash payments each month or six months' period as the case may be—I say, with the exception of these cases, it becomes a serious question whether the Government should not consider the advisability of extending all maturing obligations for a period of more than one year, so that at least during the period of the year our public service corporations should not be embarrassed by this expensive and difficult problem of refinancing. . . ."

Corporate maturities in December are the smallest for any month this year. These aggregate $11,640,980. For November, maturities were $40,900,000, while for October they were $19,900,000. Maturities comprise $4,894,610 of railroad securities, $4,826,370 industrials, and $1,920,000 public utilities. Of this latter amount 6 per cent. notes of the Toronto Railway Company fall due December 1, amounting to $750,000.

CANADA BREAD ACTUALLY HAD BETTER YEAR

Substantial Allowances For Depreciation Before Profits Brought Down.

SURPLUS WAS LARGER

An Addition of $50,000 May Be Made To "Manufacturing Profits" To Give Proper Basis of Comparison With Previous

Although the annual statement of the Canada Bread Company, which has been sent to the shareholders this week, shows that there has been a falling off in manufacturing profits from $223,771 to $199,107, an analysis of the profit and loss account would indicate that this does not correctly show the net result of the year's operations. The smaller earnings of the period ending June 30 last are shown after allowance has been made for depreciation and losses, whereas in the previous statement an appropriation of $50,000 was afterwards made for this item. Looking to the balance sheet it is indicated that in the 1917 period a like amount was added to the depreciation reserve which was increased from $150,000 to $200,000. Thus, to make a direct comparison with the previous year, $50,000 might be added to the manufacturing profits which would bring the total to $249,107 compared with the previous showing of $223,771 and with the $287,195 for the year ending in 1915.

The conclusion of THE FINANCIAL POST with regard to the profit and loss showing is illustrated in the following comparative figures in which it is indicated that, while manufacturing profits were lower as stated, because of the allowance for depreciation last year, the surplus, after the payment of bond interest, bank interest and the preferred dividend, was substantially larger for the period ending this year. Thus, after making appropriations which correspond in every respect excepting the item of depreciation there is a surplus of $41,782 as compared with $12,529 a year ago. In fact the addition to surplus is actually larger than it was in 1915 when $10,000 was written off for patents, etc., and a much larger amount was appropriated for bond redemption.

	1917	1916	1915
Man. profits......	$199,107	$223,771	$287,195
Bank interest....	13,705	10,579	10,760
Bond dis. and int.	.....	.....	769
	$212,812	$234,350	$298,725
Int. on bonds....	71,028	71,821	72,235
	$141,784	$162,529	$226,490
Pref. div.	87,500	87,500	87,500
	$ 54,284	$ 75,029	$138,990
Depreciation	.....	50,000	50,000
	$ 54,284	$ 25,029	$ 88,990
Pats. written off..	.....	.....	10,000
	$ 54,284	$ 25,029	$ 78,990
Bond redemp. res.	12,522	12,529	40,700
Surplus	$ 41,782	$ 12,529	$ 38,290
Previous	105,993	93,464	55,173
	$147,755	$105,993	$ 93,463

That the company has been able to make such a good showing in the face of the unsettled conditions in the flour and allied trades should be extremely gratifying to the shareholders and considerable credit is reflected upon the management. Not only have the markets been very unsettled with the general tendency to higher levels but the costs of production and distribution have shown great advances. Mark Bredin, vice-president and general manager, states that the trade has passed through the greatest fluctuations of prices within modern times, wheat having risen from $1.20 to $2.21, and flour from $6.50 to $12.90 with intervening high levels of $3.10 and $16.50 respectively. At the same time bread rose from 6 cents for a 24-ounce loaf to 11c per loaf, with an intervening high of 12 cents, and these prices were regulated with great difficulty as may be appreciated from the fact that it requires a $2.00 rise in the price of flour to effect an advance of 1 cent on the loaf.

Referring to the present and to the future outlook Mr. Bredin states that methods are likely to undergo many changes during the year. In this connection he evidently refers to possible regulation from Ottawa

The Balance Sheet.

The balance sheet shows that active assets have increased from $339,628 to $506,660, the principal changes being in an increase of cash in bank from $195,396 to $284,789 and stocks from $77,248 to $149,105. On the other hand active liabilities have increased from $102,039 to $204,600, the principal change being "creditors" from $80,822 to $182,693. This would seem to indicate that the company is to some extent using its credit position in relation to the increased supplies on hand. The reserve for depreciation has risen from $150,000 to $200,000 and the balance from $105,993 to $147,755, a net improvement of over $90,000 for the year.

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MACLEAN'S
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MACLEAN'S MAGAZINE GETS BETTER ALL THE TIME

Snipers and Sniping—By a Sniper
A SNIPER is back in Canada—a star sniper, who has 34 marks on his rifle, every mark meaning a German life. Most of us know absolutely nothing of the work of the sniper, but the story—a remarkable one—is told in the Christmas (December) MACLEAN'S by the champion sniper of the Canadian Expeditionary Forces. This man was buried by a shell-explosion, was dug out by two comrades, and has lived to tell his wonderful story, in MACLEAN'S. It's worth 15c to get this story alone.

"Politics From Within"
—Leacock, of Course.
TRUST Leacock to see a chance for his witty and humorous pen. He deals with the humorous phases of electioneering in Canada in his usual vein.

Why Laurier sent Troops to South Africa
THIS contribution, by Col. John Bayne Maclean, goes backward many years—to the time of the South African War in 1899-1900. That was when Canada first took up arms for the Empire. Politics, of a high order, was back of the decision to send Canadian troops to the Antipodes. It is "inside" history.

Oppenheim—Allenson—McBeth—Mumford
A LONG instalment of Oppenheim's absorbing story, The Pawns Count, is given in the December MACLEAN'S. A short story, by A. C. Allenson is seasonable. Madge McBeth contributes a complete novelette, The Man Who Wasn't. And Ethel Watts Mumford, teller of delightful tales, delicately told, gives us the first of a series of short stories—Love and the Locksmith.

The Usual Popular Departments
THE Business Outlook, The Nation's Business, Women and Their Work, and the Review of Reviews—all are present in strong way in the December MACLEAN'S.

At All News-Stands
15c.

Gadsby's Story of the Union Government
GADSBY is saturated with Ottawa knowledge—much of it of the inside variety. He pokes about, talks with big men; and big men, and lesser ones, talk with Gadsby. Useful sort of man, is Gadsby. What he hears and learns he writes about for MACLEAN'S; and in this story of his about the new Union Government, he reveals the undercurrents on the movement that developed into negotiations, and which finally resulted in a Union Government. Gadsby adds interesting biographical information to his brilliant study.

Robt. W. Service is back again
BACK in MACLEAN'S, that is—in body, he is still in Flanders—where the fighting grows uglier all the time. Service has taken time to write verse for MACLEAN'S. You know well the virility of his style, and the gripping, human character of his verse. It is about life and men in the trenches he writes—about our boys far from us. It is worth something to see our boys as Service sees them. Read "The Shape at the Wheel" in the December MACLEAN'S.

Arthur Stringer writes a Beautiful Christmas Poem
STRINGER is a wonderful man—wonderfully versatile, wonderfully human. He is a master of the short-story and of the detective and mystery type of story; and he can climb the heights of literary endeavor, as he has in this passing sweet poem—Christmas Bells in War-time. Your heart is tender these times of horrible slaughter and of heroic achievement, and you'll be grateful to Stringer for putting beautifully your innermost thoughts and feelings.

RELATIONS OF U.S., MEXICO AND CANADA

Interesting Economic Theories Advanced by American Writer.

FINANCIAL CO-OPERATION

Banker in Discussing Suggestion That U.S. Banks Might Enter Canada Speaks for Closer Relations of American and British Institutions.

Special to The Financial Post.

NEW YORK.—Canada, the United States and Mexico as an economic unit, three countries whose economic interests are held in common, is the interesting deduction of a Washington correspondent of the N.Y. *Journal of Commerce*, this week, who writes:

"One of the important facts that is being developed by the present restrictions on international trade—limited as experience with them thus far has been—is that the continent of North America is to-day practically an economic unit, notwithstanding that it is geographically or nationally divided among three countries. Tariff lines between the United States and Canada on the north, and Mexico on the south, have done something to bring about a localized self-sufficient development, and more has been accomplished by the East and West system of Canadian railways, with few 'feeders' or connections leading into the United States. On the whole, however, the drift of economic development has been towards a general united state of things economically," says this writer.

Coming at a moment when Canada's "unfavorable balance" in the United States is exceeding $35,000,000 monthly or $420,000,000 per annum, discussion of the Dominion's trade position in these markets is of wide interest. Economists, bankers and financers further will watch with keen interest the effect of Uncle Sam's huge war orders on Canada's trade figures, as a corrective in this "unfavorable balance." To further quote from the *Journal of Commerce*:

"The case in favor of treating the whole North American continent, so far as possible, as a single economic unit, under our general trade policy, and allowing exceptional freedom of movement for basic and necessary international shipments of goods is greatly strengthened, it is believed, by the fact of the geographical proximity and the need each of the three countries has for the products of the others. From the individual standpoint of the United States it is evident that the chance now presented for the development of close trade and other relations, both with Canada and Mexico, and the building up of a trade basis very hard to break down in after years is exceptional and unusual. Failure to take advantage of it now may result in growth of localized home industries which will later want protection from foreign competition, in loss of existing trade connections, and generally in search of other foreign economic relations rather than, or in preference to, those of the United States. The situation is believed to be one that will require to be carefully and thoughtfully worked out in order to take advantage of the openings that are now presented by circumstances.

International Banking.

George Wilson, agent of the Union Bank of Canada and former manager of the Union Bank of Canada at Toronto, where he is widely known, returned a few days ago from a vacation spent in Canada. Mr. Wilson takes up the subject of "Reciprocity in International Banking" which was recently launched by Elmer H. Youngsman, editor of the *Bankers' Magazine*. In this week's issue of this publication Mr. Wilson dwells on the subject of close financial relations between English-speaking countries and the United States, his remarks being particularly apropos in this discussion of trade relations. Mr. Wilson says:

"Prior to the war, international diplomacy, politics and finance were characterized by the policy of 'splendid isolation,' but since the exposure of Teuton trickery and duplicity, the old order of things has given place to co-ordination and co-operation in diplomacy, and in the activities of the naval, military and economic forces of the Allied nations; and just as this policy of absolute co-operation is essential in the winning of the war, so must there be co-operation in the financial policy of the Allies if the fruits of victory are to be firmly established.

"The two great English-speaking peoples are undoubtedly destined to be the strongest factor in world politics after the war, and the closer Great Britain and America can be brought together in international commerce and finance the better. Up to the outbreak of war, the United States was so absorbed in the development of trade within its own gates that its foreign trade policy was more or less neglected, but the United States has since learned to think internationally, and after the war its mercantile flag will undoubtedly be prominent on the seven seas and its trading posts established in the uttermost parts of the earth. As an auxiliary in the forthcoming expansion of its foreign trade, the financial lines of the United States must also be properly cast, and there is little doubt that the policy which now imposes onerous restrictions upon foreign banking institutions operating in this country should be ameliorated or removed if the United States is to take its proper place as an overseas trader.

"The Federal Reserve System, which is designed upon broad lines for the development of internal and external trade, will doubtless become a strong factor in the amelioration of these unsatisfactory conditions. Absolute freedom is accorded to all foreign banks established in London, and to this policy can be largely ascribed London's supremacy as the world's financial centre. Moderate discriminations against foreign institutions is natural and to be expected, but impediments should not be imposed to the extent of comparative strangulation. After the war there will be a closely working financial partnership between London and New York, but this cannot be developed to maximum efficiency until restrictions now imposed upon foreign banking corporations in this country are materially moderated."

ENGLISH CURRENCY EXPANDING WITH WAR

Addition to Subsidiary Coinage, by Absorption of Silver, Helped Immense Rise in Sterling

LONDON.—No data are available by which the volume of currency circulating during normal times in this country can be measured, but no doubt exists that it was very considerably smaller than is the case now. War requirements have created great trade activity and made many people better off. The amount of money required each week for wages alone must be immensely larger than in times of peace, and the total of currency notes at present outstanding is certainly much greater than the total of gold coin which has been collected from the pockets of the people and the banks.

Week by week the figure grows, and the amount in issue when the last statement appeared was £184,186,978, against which were held gold coin and bullion £28,500,000, Government securities £157,091,149, and balances kept at the Bank of England £5,945,538. Small advances have been made to ordinary bankers and the trustee savings banks, the total assets being thus £191,840,737. The difference between this figure and the notes outstanding, of £7,653,759, is the investment reserve, constituting a protection against possible security depreciation.

This large total of circulating money is part of the inflation which the prodigious expenditure of the Government has rendered unavoidable, and it has been supplemented by a very great addition to the subsidiary coinage, affording one explanation of the heavy absorption of silver in the last few years, which, being coincident with a curtailment of the production owing to the troubles in Mexico, brought about an immense rise in its sterling equivalent. Some statistics have just been issued by the Chancellor of the Exchequer showing the outturn of silver and bronze coins by the British mint in the last four years. These are the figures:

Year ended July 31—

	Silver	Bronze
1914	£ 1,247,720	£346,124
1915	7,404,087	241,900
1916	10,362,026	314,925
1917	4,514,107	547,590

The withdrawals from circulation in the period were of quite small dimensions relatively, and it may almost be said that there is a redundancy of silver coinage in circulation. Much of the increase in the bronze coinage is due to the demand for the smallest coin, the farthing. Prices fixed by the Food Controller have frequently involved the liberal use of this coin and an immense number are now afloat in the country.

PRODUCTION OF STEEL

United States Holds Premier Place in Great Industry.

The United States is fortunate in having the premier steel industry of the world to rely upon in time of war. The steel furnaces to-day are producing ingots at the rate of 43,500,000 tons annually. But the total production for the year, according to the estimate of the Iron and Steel Institute, will be 42,600,000 tons, which is approximately half of the total production of the world.

When the war began, with the United States as a neutral country, the world's production of crude steel was at the rate of 76,000,000 tons annually, and about 55 per cent. of this tonnage was being produced by the nations at war.

Before the United States became a belligerent, the production of crude steel had increased to the rate of nearly 85,000,000 tons per year, of which the Central Powers produced about 21,800,000 tons, and the Entente Allies about 20,000,000 tons.

The fortunes of war turned the scales first in favor of the Teutonic nations, and later, when the United States declared war, in favor of the Allied countries. France has lost practically all of her material and means for making steel, and much of her steel making capacity has passed into the hands of the Germans.

THE AUTO INDUSTRY.

War Demands Expected To Adjust the Reduction of Output.

There is a strong undercurrent of feeling among Detroit automobile executives and bankers that the motor car industry is being capably looked after in Washington. Recent rulings from Washington have caused manufacturers some anxiety. But the broad feeling of confidence persists none the less. Detroit realizes that if motor car production is restricted war munitions work will be greatly stimulated. In either case the industry will be using its physical equipment to profit.

Plans of the War Industries Board for reduction in output of passenger cars have experienced a temporary halt. It has been widely rumored that a cut of from 40% to 70% was to be made. An order temporarily holding up shipments of alloy steel to auto factories was withdrawn for a time, but has again gone into effect. A special committee appointed by the National Automobile Chamber of Commerce and representing the entire industry will hereafter act as the regulator of steel supply.

BEATING THE P. O.

How Public Service Company Employs Own Postmen.

The increase in postage rates has brought to light a method employed by one of the largest central station power companies in the country to cut down expenses. This company has approximately 40,000 light and power customers on its books, which necessitates the delivery of about 3,200 bills and receipts daily, at a cost in postage of $64 a day, or $19,200 yearly. A system was devised whereby the city was divided into fifteen districts, and fifteen boys were employed at $6 a week, uniformed, and each given one district. The boys patrolled their various districts in the same manner as a postman, delivering bills and receipts to the customers of his district. It was found that a boy could deliver a little more than 230 pieces of mail in a day without trouble. The total yearly wage of the fifteen boys amounted to $4,680, making a net saving to the company of $14,520 yearly, or the dividend on approximately 2,500 shares of the company's stock at 6%. By delivering its letters at 0.43 cents each, the company believes it has successfully beaten the Post Office.

NEW ZEALAND'S WHEAT.

Price Fixed at $1.41 for the 1917-18 Crop Delivered.

According to an order-in-council recently gazetted, the New Zealand Government is authorized to purchase the wheat grown in New Zealand during the season 1917-18 at 5s. 10d. ($1.41) per bushel delivered free on board in sacks at the nearest port or where delivery is made with the consent or direction of the Government.

The regulations provide that, save in the case of the permission of the board of trade, it shall not be lawful for any person to purchase any wheat of the ensuing harvest except in the case of a retail purchase not exceeding 50 bushels.

OFFICIAL PROSPECTUS

The Proceeds of this Loan will be used for War purposes only, and will be spent wholly in Canada

The MINISTER OF FINANCE offers for Public Subscription

Canada's Victory Loan

issue of

$150,000,000. 5½% Gold Bonds

Bearing interest from December 1st, 1917, and offered in three maturities, the choice of which is optional with the subscriber, as follows:

5 year Bonds due December 1st, 1922
10 year Bonds due December 1st, 1927
20 year Bonds due December 1st, 1937

This Loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge upon the Consolidated Revenue Fund.

The amount of this issue is $150,000,000, exclusive of the amount (if any) paid for by the surrender of bonds of previous issues. The Minister of Finance, however, reserves the right to allot the whole or any part of the amount subscribed in excess of $150,000,000.

Principal and Interest payable in Gold
Denominations; $50, $100, $500 and $1,000

Subscriptions must be in sums of $50 or multiples thereof.

Principal payable without charge at the Office of the Minister of Finance and Receiver General at Ottawa, or at the Office of the Assistant Receiver General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria.

Interest payable, without charge, half-yearly, June 1st and December 1st, at any branch in Canada of any Chartered Bank.

Bearer or Registered Bonds

Bonds may be registered as to principal or as to principal and interest.

Scrip certificates, non-negotiable, or payable to bearer, in accordance with the choice of the applicant for registered or bearer bonds, will be issued after allotment in exchange for provisional receipts. When these scrip certificates have been paid in full, and payment endorsed thereon by the bank receiving the money, they may be exchanged for bonds, when prepared, with coupons attached, payable to bearer, or registered as to principal, or for fully registered bonds when prepared, without coupons, in accordance with the application.

Delivery of interim certificates and of definitive bonds will be made through the Chartered Banks.

Bearer bonds with coupons will be issued in denominations of $50., $100., $500., and $1,000. and may be registered as to principal only. Fully registered bonds, the interest on which is paid direct to the owner by Government cheque, will be issued in denominations of $1,000, $5,000 or any authorized multiple of $5,000.

Subject to the payment of 25 cents for each new bond issued, holders of fully registered bonds without coupons, will have the right to convert into bonds of the denomination of $1,000 with coupons, and holders of bonds with coupons will have the right to convert into fully registered bonds of authorized denominations without coupons, at any time, on application to the Minister of Finance.

Surrender of Bonds

Holders of Dominion of Canada Debenture Stock, due October 1st, 1919, and of bonds of the three preceding Dominion of Canada War Loan Issues, have the privilege of surrendering their bonds in part payment for subscriptions to bonds of this issue, under the following conditions:—

Debenture Stock, due October 1st, 1919, at Par and Accrued Interest.
War Loan Bonds, due December 1st, 1925, at 97½ and Accrued Interest.
(The above will be accepted in part payment for bonds of any of the three maturities of this Issue.)
War Loan Bonds, due October 1st, 1931, at 97½ and Accrued Interest.
War Loan Bonds, due March 1st, 1937, at 96 and Accrued Interest.
(These will be accepted in part payment for bonds of the 1937 maturity ONLY of this Issue.)

Bonds of the various maturities of this issue will, in the event of future issues of like maturity, or longer, made by the Government, other than issues made abroad, be accepted at par and accrued interest, as the equivalent of cash for the purpose of subscription to such issues.

Issue Price Par

Free from taxes—including any income tax—imposed in pursuance of legislation enacted by the Parliament of Canada.

Payment to be made as follows:

10% on December 1st, 1917	20% on March 1st, 1918
10% on January 2nd, 1918	20% on April 1st, 1918
20% on February 1st, 1918	20% on May 1st, 1918

A full half year's interest will be paid on 1st June, 1918

The Bonds therefore give a net interest yield to the investor of about:

5.61% on the 20 year Bonds
5.68% on the 10 year Bonds
5.81% on the 5 year Bonds

All payments are to be made to a Chartered Bank for the credit of the Minister of Finance. Failure to pay any instalment when due will render previous payments liable to forfeiture, and the allotment to cancellation. Subscriptions accompanied by a deposit of 10% of the amount subscribed, must be forwarded through the medium of a Chartered Bank. Any branch in Canada of any Chartered Bank will forward subscriptions and issue provisional receipts.

In case of partial allotments the surplus deposit will be applied toward payment of the amount due on the January instalment.

Subscriptions may be paid in full on January 2nd, 1918, or on any instalment due date thereafter under discount at the rate of 5½% per annum. Under this provision payments of the balance of subscriptions may be made as follows:

If paid on January 2nd, 1918, at the rate of 89.10795 per $100.
If paid on February 1st, 1918, at the rate of 79.46959 per $100.
If paid on March 1st, 1918, at the rate of 59.72274 per $100.
If paid on April 1st, 1918, at the rate of 39.90959 per $100.

Forms of application may be obtained from any branch in Canada of any Chartered Bank, or from any Victory Loan Committee, or member thereof.

The books of the Loan will be kept at the Department of Finance, Ottawa.

Application will be made in due course for the listing of this issue on the Montreal and Toronto Stock Exchanges.

Subscription Lists will close on or before December 1st, 1917.

DEPARTMENT OF FINANCE,
OTTAWA, November 12th, 1917.

Lend to your Country - All Canada is your Security

"The man, be he rich or poor, is little to be envied, who at this supreme moment fails to bring forward his savings for the security of his country."

77

A complete record for every department of your business at one operation.

The economical feature of the "Shouperior" System of Autographic Registers is that both records and carbon papers are supplied in roll form, and so situated within the device, that the execution of one set of forms automatically prepares the next set. Simply write the record. A turn of the handle delivers the copies automatically measured. A complete record for each Department.

The "Shouperior" System can be adapted to meet the requirements of your present system. It offers greater speed, convenience and economy in execution.

Send us a sample set of the forms you are at present using for any of your office or factory systems. We will gladly give you quotations and advice.

SHOUPERIOR Autographic Registers

For Handling Business Records

Autographic Register Co. of Canada, Limited

MONTREAL TORONTO WINNIPEG

War Risks

Are you one of the hundreds of business men in Canada who are working at high pressure and bearing extra cares because of war conditions? If so, should you not protect your family or your business by additional Life Insurance.

The war risks are not all overseas. Every few days the sudden passing away of some prominent business man gives evidence of the tension and anxiety of the men who are bearing the added burdens at home.

The Security Life Insurance Company of Canada, which issues only "all guaranteed policies," is issuing direct to insurers a special protection policy intended to serve the present war-time need. At age 35 the annual premium for $5,000 is only $52.00.

"Just my measure," said a well-known business man of this plan. He took the limit.

Write, stating age last birthday, for full particulars.

The Security Life Insurance Company of Canada

Head Office, KENT BUILDING, - TORONTO

President—Brig.-Gen. Sir Henry M. Pellatt, C.V.O.

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When there is no Will

the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.

Whether you have little or much, make a will—and make it NOW.

Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.

THE UNION TRUST CO., Limited

TORONTO

HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

PENNY BANK'S DEPOSITS ARE GROWING FAST

During Its Last Fiscal Year a Gain of Nearly 30% Was Recorded.

SEVEN THOUSAND A WEEK

Nearly Seventy Thousand Children in Fifty Canadian Centres Are Depositing An Average of Ten Cents a Week in the Bank.

A remarkable expansion in deposits for the year ending June 30, is reported by the Penny Bank of Toronto, the annual meeting of which took place on Thursday evening. From a total of $304,788 on June 30, 1916, the amount to the credit of depositors grew during the twelve months to $392,367 or by little short of 30 per cent. The gain in the previous year was 15 per cent., while in the year before that there was actually a decline.

When it is recalled that the bulk of the deposits are made by school children, who make use of the bank only during the years when they are attending school and then withdraw their savings or transfer them to a chartered bank, this showing is all the more satisfactory. It would indicate a greater per capita saving by the boys and girls, which is an objective desired by the bank management.

During the twelve years that the bank has been in operation, about a million and a half dollars has been deposited by some 230,000 children. This represents about 7,500,000 individual deposits. Last year these deposits averaged over $7,000 a week, an average of ten cents a week from each child that had an account. There are now nearly 70,000 school children in fifty cities, towns and villages in Canada who have deposit accounts in the Penny Bank and hundreds of accounts are transferred annually to the savings departments of the chartered banks.

The salient figures in the balance sheet as at June 30, 1917, are as follows:—

	1914	1916	1917
Liabilities.			
Public school dep.	$245,041	$274,656	$352,657
Other deposits...	25,822	30,132	39,710
Guarantee fund..	3,100	10,000	10,000
Int. earned, etc..	11,657	8,083	9,253
	$285,620	$322,871	$411,621
Assets.			
First mortgages..	$ 10,367	$ 10,443	$ 3,763
Oakville bonds...	.....	4,679	4,679
War loan bonds.	.....	.....	7,003
Cash, post office	274,698	306,044	374,205
Cash on hand...	555	915	20,373
Supplies	.....	790	1,596
	$285,620	$322,871	$411,621

During the last session of Parliament an important amendment was made to the special act under which the Penny Bank operates, which will have a bearing on its future development. Hitherto the Bank has been required to place its funds in the Post Office Savings Bank, where a sufficient margin of interest over the customary 3% was allowed to meet the Bank's running expenses. The amendment will authorize the Bank to invest in Dominion of Canada war bonds. This will enlarge the Bank's income considerably and enable it to undertake services in connection with the work in the schools that it has not hitherto been able to finance.

As has been pointed out before in these columns, the Penny Bank is receiving the cordial support of the chartered banks which recognize the value of the educational work being done by the institution among the youth of the land. Prominent bankers are represented on the directorate of the Bank.

THE SALESMAN'S WIFE.

Head of N.C.R. Co. Wants To Know the Part She Plays.

How important a factor is a man's wife in his success as a money-maker?

John H. Patterson, president of the Nation Cash Register Company, intends to know exactly — and he is looking for the answer in dollars and cents. He is experimenting along original lines with his entire sales force.

The experiment had its beginning recently when more than 500 wives of sales agents and salesmen of the National Cash Register Company from all over the United States and Canada met at Dayton, Ohio, for a business convention. It was exclusively a woman's affair, the husbands remaining home attending to their regular work.

In a series of sessions, the wives were let into the secrets of the cash register business. They were told all about the company's policy, methods of selling and profits on sales. They learn how cash registers are produced. They were informed of the usefulness of the cash register and the problems with which salesmen have to deal. And they were instructed how to assist their husbands in becoming better salesmen.

Of all the business innovations which Mr. Patterson has sponsored—and he was the promoter of many now in general practice in business—this is unquestionably the most radical. Because of this fact, the Dayton convention is of particular interest.

It was held in the famous N. C. R. "school house," a large hall built especially for conventions and entertainment purposes.

LORD RHONDDA AND THE FOOD PROBLEM

British Controller Discusses Phases of he Situation of Interest to Canada.

The food problem of Britain and her Allies as recently reviewed by Lord Rhondda, the British Food Controller, has many interesting features from the Canadian standpoint, as it is from Canada and the United States that it is hoped to draw the additional supplies to meet the shortage caused by the withdrawal of man power from agriculture for military purposes. Lord Rhondda stated that according to the information gathered by his department, the minimum requirements of foodstuffs from Canada and the United States would be over 10,000,000 tons. In view of this it became imperative that close relations should be maintained between the food controlling forces in Great Britain and on the American continent. In the future all Allied purchases of bacon, ham, lard, butter and cheese would be pooled through the meats and fats executive formed by the governments of Britain, France and Italy. Executives to pool purchases of other foodstuffs were being considered.

Lord Rhondda took up in further detail the relations of British government with Canada as regard the purchase of supplies, his remarks having to do with the conditions which existed some time ago when there was a temporary partial suspension of purchasing in this country pending a readjustment of financial arrangements. In connection with the situation as it existed at that time he said:

"In respect to Canada our purchases in that great Dominion are momentarily limited by difficulties of finance, due to the vagaries of exchange in war time. I am informed that the Canadian banks are discussing steps to finance the purchase of foodstuffs, and I am confident that a solution will soon be reached. In this, Lord Reading, who is now on the spot, will be able to render valuable help. Reports have been spread that I had placed an embargo on further imports of bacon from Canada, with an implication that I was favoring the United States exporter. The suggestion is too childish to need denial, in view of the fact that the Allies in Europe will obviously require a considerable proportion of the estimated exportable surplus of the primary foodstuffs of both the United States and Canada. I am hoping that the exportable surplus may considerably exceed the estimates as a result of the food economy and food production propaganda which is being conducted both in Canada and the United States. The food economies and sacrifices which are to-day practised in millions of Canadian and American homes are helping to win the war just as surely, and just as concretely, as the production of munitions. Every American and Canadian woman can bring the inevitable atonement for brutal outrage in Belgium, Armenia and Serbia, for the 'Lusitania' and other horrors, a bit nearer by a day of food economy. They need have no fear that their sacrifices will be wasted because of undue consumption here. A fresh campaign is being started to reawaken our own public to the vital necessity of decreased eating. If voluntary measures fail I shall have no compunction in putting the nation on compulsory rations.

"The danger of the food situation lies not so much in the submarine peril as in the world shortage of cereals, meats and fats. The timely action of the United States Government in strenuously curtailing food exports to neutral countries should be of inestimable benefit to the Allies in Europe. But the tightening of the blockade is a two-edged sword. Imports of bacon and other products into the United Kingdom from Denmark are thereby bound to be seriously reduced. This throws us more than ever upon the North American Continent for our supplies. What we ask from the United States and Canada we cannot procure elsewhere. Unless the Allies in Europe are able to import the supplies necessary for feeding their armies and their civil population, victory may slip from our united grasp."

WASTE WOOD FOR FUEL.

American Farmers Are Being Asked To Conserve Supplies.

Plans for making use of all available waste wood as fuel are under consideration by the United States Fuel Administration. The State of Arkansas has already urged farmers to utilize all timber cut in clearing farms. H. C. Couch, Fuel Administrator for Arkansas, in a telegram said:

"Gov. Brough at our request has issued a wood proclamation, urging farmers to cut timber in clearing their farms into cordwood rather than burning it in the field."

Similar action is being taken in North Carolina and other states.

WINDSOR HOTEL SHOWED INCREASE OF 27,000 GUESTS

Net Earnings More Than Sufficient to Meet Dividend Charge.

NET PROFIT WAS $78,713

An Increase of $28,000 Over 1916 and $67,000 over 1915—Surplus Now Amounts To $455,939—Mortgage of $10,000 Wiped Out.

The improved position of the Windsor Hotel Company of Montreal, as noted in THE FINANCIAL POST last week, was borne out by the details of the annual statement since made public. The increase in net earnings, amounting to $28,000, was sufficient to pay off the dividend of 4 per cent. and leave a net surplus of $18,713, which compares very favorably with the position one year ago, when, after meeting this dividend, there was a deficit of over $9,000, which had to be made up from the previous surplus. Indeed had it not been for the heavy increases in the cost of food, labor, and all other expenditures in connection with a hotel, the business this past year was sufficient to produce one of the old time profits, on which the present surplus of $455,939 was built up. The figures as to the number of guests showed that there had been an almost complete recovery from the slump that overtook the hotel business after the war broke out. The number of guests showed an increase of 26,481 over last year which had an increase of 26,487 over the previous year. In the three preceding years, there had been decreases of 20,901, 6,627 and 19,343 respectively.

Extensive Repairs.

The financial statement is even more favorable than the figures of net profits would indicate. A mortgage of $10,000 was paid off during the year on Stanley Street property, while the element of depreciation was represented by a charge of $96,475 for repairs and renewals, which exceeds the depreciation charge of $80,409 last year, and that of $65,276 for the previous year.

The net profit for the year, after allowing for the payment of bond interest of $27,000, represents earnings of 5.25% on the capital stock, as compared with 4 per cent. that was declared for the year. The following profit and loss figures for the past three years show the gains the hotel has been making:

	1916-17	1915-16	1914-15
Net earnings..	$105,713	$77,648	$38,747
Bond interest.	27,000	27,000	27,000
Net profit.....	$78,713	$50,648	$11,747
Dividends	60,000	60,000	*.....
Surplus	$18,713	$ 9,352†	$11,747
Present surp..	437,226	446,577	434,830
Total surplus.	$455,939	$437,226	$446,577

* No dividend paid.
† Deficit.

The balance sheets show total assets of $2,716,374 as compared with $2,728,482 for the previous year, the cash of 1916 being reduced from $86,923 to $31,595 this year. On the other hand the inventories increased from $48,623 to $82,749, and accounts receivable from $18,782 to $27,194, a change that leaves the past year with more "tangible" assets in the form of the real cash than this year. In the liabilities the accounts payable have increased from $45,519 to $59,720; taxes have been reduced from $18,193 to $17,855, and accrued wages from $12,004 to $11,827. The surplus is increased from $437,226 to $455,939. The valuation of the buildings, etc., remains the same as last year, $2,118,980. The capital stock amounts to $1,500,000, and there are $600,000 of bonds.

A NEW GASOLINE

Method of Extraction From Natural Gas Now Discovered.

At the present moment, when the country's needs for gasoline threaten to outstrip supplies, a new means for obtaining gasoline is of greatest importance. Such a new source is disclosed in a bulletin "Extraction of Gasoline from Natural Gas by Absorption Methods," by George A. Burrell, P. M. Biddison, and G. G. Oberfell, issued by the U. S. Bureau of Mines.

The extraction of gasoline from natural gas by compression and condensation has been an important and rapidly growing industry in recent years. In 1915 about 65,000,000 gallons were produced by such methods while in 1916 the estimated production was 100,000,000 gallons. This gasoline is of doubled importance in that it can be blended with naphthas otherwise unsatisfactory for use in the automobile, and made into an acceptable motor spirit.

The absorption process is quite different from the older compression process and heretofore has not been described in literature. It is a method only recently commercially applied to natural gas yielding the same quality of gasoline and capable of being applied under conditions where the older process could not be employed profitably. By it the gasoline in natural gas, though extremely lean, can be absorbed in oil from which it is separated by distillation. Natural gases yielding less than 1 pint of gasoline from each thousand cubic feet of the gas have been treated with commercial success, where formerly this gasoline had gone to waste and had constituted a source of much trouble and expense in the pipe lines.

In view of the present needs of gasoline for war and industrial purposes, this additional quantity of gasoline, heretofore a waste and source of expense, is of tremendous importance and may be considered as an excellent illustration of the results the Bureau of Mines is obtaining in its investigations for reducing wastes and increasing efficiency in the petroleum industry.

Bulletin 120 treats fully the underlying principles of the absorption process, as well as the methods for testing natural gases for gasoline, the construction and operation of absorption plants, and records the results obtained by several plants of demonstrated commercial success. While so far, restricted in commercial use to the treatment of large volumes of gases too lean for profitable treatment by compression, it is not thought to be limited to that field but is believed to be capable of extension into conditions where compressors are now being employed.

DEMAND FOR COAL IS OUTSTRIPPING SUPPLY

Annual Consumption Has Increased 100,000,000 Tons According To United States Fuel Administrator.

A survey of the entire coal situation just completed by the United States Fuel Administration demonstrates that the war needs of the nation for fuel have developed to a point where the demand threatens to outstrip the supply.

Through the efforts of the Fuel Administration and other agencies the annual output of coal has been increased by approximately 50,000,000 tons. But the consumption of coal, it is estimated, has increased by approximately 100,000,000 tons, leaving a gap of 50,000,000 tons to be bridged.

Practically the entire increase in coal consumption is due to the necessities of the war. Munitions plants, running 24 hours a day at full capacity, with continuous demands from the Government for increased production, are using from 33 1-3 to 50 per cent. more coal than they were a year ago. For instance, the Bethlehem Steel Co. demands an increased coal supply of approximately 250,000 tons per month, or 3,000,000 tons a year.

The direct demands of the Government for coal, including the requirements for the actual fighting forces of the Army and Navy, have increased by 300 per cent. Where 2,000,000 tons supplies the Government under normal conditions, the Government demand is now for 8,000,000 tons.

Public Utilities Demand More.

The coal demands of public-utility plants, particularly in the industrial sections of the country, have increased by about 33 1-3 per cent. Practically all of this increase is due to increased power furnished to munitions plants and other war industries.

To close up the gap of 50,000,000 tons between the production and consumption of coal the Fuel Administration will take steps to increase production, facilitate transportation, and enforce the most economical use of the available coal supply. The Fuel Administration is determined that war industries, public utilities, and domestic consumer shall be supplied. To this end the co-operation of every coal user in the country will be necessary.

U.S. IS PROSPEROUS.

Woolworth's Vice-President Reports Results of Extended Tour.

Prosperous conditions prevail in all parts of the country, according to Hubert T. Parson, vice-president of the F. W. Woolworth Co., who has returned to New York from an extensive trip through various parts of the United States. Besides inspecting the Woolworth stores located in various cities Mr. Parson talked with bankers, city officials and business men.

American magazine and periodical publishers will ask Congress to repeal increases in second class postal rates, which they say will even result in a loss of revenue to the Government, because many of the publications will be put out of business by the increase.

REAL ESTATE AND MORTGAGES

SCARCITY OF HOUSES NOTED IN MONTREAL

Are Spoken For While in the Early Stages of Construction.

RENTING SITUATION BETTER

Good Many Properties Are in the Market and Owners Are Willing to Take Less Than They Are Worth.

The shortage of medium-priced houses in or around Montreal is indicated by the fact that new houses, which are in the early stages of construction, have already been spoken for. At least this is the view of R. Holmes Parsons, an authority on real estate conditons in Montreal. Those real estate firms that deal in "ready-made homes" are convinced that the "own your own home" movement is going to grow immensely in the next year or two. People have been earning good money of recent years, owing to war-time activity, and many of them have been wise enough to invest their money in land, or in houses. The result is that to-day there are more home owners in Montreal district than in practically any city of similar size on the American continent. But even yet there are nothing like enough houses to go around—if people only had what they wanted. Any house that has any pretension to comfort—even if it does let the dampness in through the basement walls sometimes, or takes an abnormal amount of coal to heat it during the winter, because it is exposed on all four sides to the wind, is quickly snapped up when the house-hunting season begins.

There was an idea abroad that with the war and so many people going away there would be a decrease in the population, and, consequently, a slump in the renting business. But the opposite has been the case, according to one of the biggest house agents in the city. The renting situation has been better than ever this fall, and it has almost reached a point where the demand exceeds the supply. The result is that there is a tendency to increase rents and values—a very cogent argument for every householder seriously to consider the purchasing of a home of his own, and paying for it in just the same way as he has in the past been paying rent. Just as this is the time for the builders to get busy, so now is the time to buy real estate.

There are a great many properties in the market now, for various reasons, mostly due to the war, and the owners are willing to take really less than the properties are worth, because they are forced to sell.

I saw an advertisement a day or so ago in which this fact was emphasized—a citizen of the United States who owns some property at Cote St. Paul being anxious to sell out to the highest bidder as he was expecting to be called overseas any minute. That auction is taking place to-day, and no doubt someone will profit by the call of the war.

FARM SALES.

Prices At Which Lands Are Changing Hands in East and West.

Several sales of farms are reported in the Goderich district. A farm of 150 acres, south of Walton, owned by Dickson Bros. has been sold to Fred Oster, of Brussels, for $10,000. The 100-acre farm of Stanley Hemingway, Concession 10, Grey, has been sold to Mr. Wilson, of Belmore, for $7,000. Paul Coates has sold his 140-acre farm in Usborne to Clinton Sweet for $13,000, and William Sweet has sold his farm on the London road for about $10,000.

Ten years ago Robert Blair, of High River, Alta., bought a half section of land at Cayley for $6,080. Since then he has farmed it on shares. Recently he has disposed of it for $10,000, selling a quarter section to Kitchen Bros. and the other quarter section to Charles Chaffee, each for $5,000 cash. It is reported to be a splendid property.

MONTREAL TRANSFER.

Land Between St. Catherine and Notre Dame Streets Is Sold.

In the latest list of transfers of property in Montreal appears the following: James Morgan sold to the Morgan Realties Co., Ltd., several properties under lot No. 1, part of the unsubdivided part of No. 7 and lots Nos. 7-5 to 9, 15 to 29, 31 to 34, 37 to 47, and 52 to 56, in Hochelaga ward, lying between St. Catherine street on the north and Notre Dame street on the south by the whole width of said lots, with the buildings thereon erected fronting on Morgan avenue, on Gerard street and Boyce street, containing an area of 77,320 ft., deduction to be made from the right of way of the C.P.R., sold by F. C. Morgan to the said company in the town of Maisonneuve, for $130,000.

CIVIC HOUSE BUILDING.

St. John's Nfld., Proposes to Erect a Number of Dwellings.

The civic authorities of St. John's, Nfld., are evidently contemplating the erection of a number of workingmen's homes as a municipal venture. The civic board has been offered a building site of 138 feet frontage to a depth of from 32 to 60 feet in the eastern section of the city where there is a scarcity of houses.

If the site and plans are approved of, the Mayor intends to build seven dwellings and, if the expenditure prove justified, operations will be continued more extensively. Already the Mayor has the assurance that there is no cause for worry over the financial aspect of the project.

WHY THE DIFFERENCE?

Record of Registration of Transfer Discloses a Discrepancy.

The records that are published each day in the Montreal press of the registration of deeds of sale are sometimes liable to cause an uneasy feeling among property holders who own land in the immediate vicinity of those mentioned in the press, says R. Holmes Parsons. A few days ago an irate landowner went into one of the real estate offices, and declared that he had been misled, and had paid a large sum of money for a property which was apparently of little value. He recalled to the agent that some ten or eleven years previously he had bought a plot of land and paid him cash for it. The agent agreed that that was so. The owner naturally concluded that during the intervening years the land would have increased in value. The agent agreed that it had.

"Then how is it that the next lot to mine was sold recently for exactly the same price as I paid eleven years ago?" demanded the customer, and he produced a paper to show the record of the transaction.

The agent found the solution of the problem when he turned up his ledgers. He had sold the adjoining lot at the same time as he sold the plot to his visitor. But whereas the latter had paid cash, the other man had paid a few dollars per month and owing to one thing or another, had not completed his payments until a few days before.

He had, of course, immediately got his deed registered, and as the price of the property was set forth at the eleven-year-old figure, it appeared in the papers as selling for that amount to-day. As a matter of fact that land had increased in value more than double, but there was nothing to let the public know that.

A BROKER'S ESTATE.

Left Nearly 40,000 Shares of Stock of No Market Value.

James Curry, a Toronto broker, living at 95 St. George Street, who died on August 2 last, left an estate valued at $36,192. The inventory includes $1,000 in household goods, $5,000 due under an agreement of sale, $1,100 in bonds, $10,200 in stocks, 2 automobiles, $2,900, and $15,992 insurance payable to Mrs. Curry. Among the stocks owned by the deceased were 1 Milton Fish & Game Club, $150; 130 Private Garage, $800; 1 Caledon Lake Co., $150; 451 J. Curry Co., $9,100. An agreement for a share of the commission on prospective sales of a patent boat releasing gear, and 39,192 shares of stock, most of which are in mining companies, are listed as of no market value.

In addition to the insurance, Mrs. Curry receives the household goods, Packard motor and one-third of the residue of the estate. James and Beatrice, son and daughter, each receive half of the remainder.

C.P.R. LAND SALES.

Have Been Heavy During Year Especially Latterly.

The following statement has been issued by E. W. Beatty, vice-president of the Canadian Pacific Railway: "My attention has been called to a published statement that there are practically no bids for Canadian lands, and that it is difficult to see how the Canadian Pacific, with its immense holdings of lands, can do anything but drag lower as its earnings drop. The Canadian Pacific land sales for October, 1916, amounted to 45,027 acres at a price of $680,619; for October, 1917, sales amounted to 82,853 acres, at a price of $1,456,451. For the ten months ending October, 1916, the total sales were 316,796 acres at $4,963,116, while for ten months ending October, 1917, 543,116 acres were sold for $9,527,636. I am giving you this information on the behalf of the Natural Resources Department of the Canadian Pacific, and shall be glad if you will correct the published statement."

COMMISSION IN NEW YORK IS JUMPED UP

Raised From Customary Flat Rate of 1 Per Cent. to 2½ Per Cent.

NO CHANGE IN RENTING

Advance Made Because of General Upset in Economics Caused by the World War, Which Has Increased Operating Costs.

After concluding an exhaustive investigation, the Real Estate Board of New York has announced that it has decided to revise the rates of commission for the sale of Manhattan and Bronx property. The subject has been under probe for some time.

The board decided to increase the rates, so that henceforth the cost of selling real estate in these boroughs will be 1½ per cent. more than the brokerage custom which has been in vogue for many years.

At a meeting of the joint committee of the board of governors and the committee on ethics and commissions held in the board rooms, the step which is of importance to real estate owners, brokers, builders, in fact the entire profession, was taken whereby commissions for the sale of property are changed from the customary flat rate of 1 per cent. to a rate of 2½ per cent. on all sales up to $40,000, and 1 per cent. on sums beyond that amount.

The suggestion that renting commissions be similarly adjusted was fully considered by the joint committee, which finally voted not to alter the prevailing rates.

The rate just adopted by the New York Board is similar to that prevailing in Pittsburg, Chicago, Kansas and other larger cities, and no doubt will at least tend to stimulate inter-city business, now unattractive to brokers of other cities, owing to the low rate of commission that obtains here.

The above action by the board was taken following many conferences among the leading brokers, who felt that a revision was desirable, especially because of the general upset in economics caused by the world war, which has increased the operating costs of all brokerage establishments while at the same time creating dullness in the demand for real property and so reducing the opportunities for sales as to make imperative an increase in rate of commissions, at least for the period of the war.

"While the changed rates will be observed by all the established brokerage concerns, whether members of the board or not, there is an interesting phase connected with it," commented a prominent real estate operator "which touches the broker who transacts business with an office-in-his-hat." He doubtless will welcome the opportunity to revise commissions, but the question remains for time to answer, whether he will uphold the increased commission rate."

WONDERFUL COBALT.

Annual Production Would Fill a Train of Thirty Cars With Bullion.

The mines of Cobalt are producing silver bullion at the rate of approximately two and one-half tons per day, or something like 70 tons per month, according to an interesting computation made by the Cobalt *Nugget*. It follows that the annual production at the present rate would total about 900 tons of pure silver. This would make up an entire train of thirty cars each containing thirty tons of silver bullion. Each car at the price of silver prevalent during September, would be worth $720,000. The reason for allowing thirty tons to each car is that an ordinary ore car will hold approximately thirty tons of crude ore. Thus, the total production since the discovery of silver in Cobalt, which by the end of the current year will amount to approximately 275,000,000 ounces would constitute about 382 carloads of silver bullion.

During the month of September the average quotation for commercial bar silver was a little over $1 per ounce, or $12 per pound. The production of bullion was maintained at the rate of about 208 pounds or approximately $2,496 every sixty minutes. The daily production of 5,000 pounds had a value of approximately $60,000.

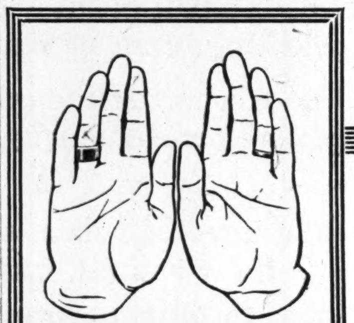
In order to maintain this enormous output, about 3,000 men are employed, and about $3,000,000 is paid out annually for supplies. The pay roll for the current year will approximate $4,500,000, making a total operating expenditure of about $7,500,000. An arbitrary division of this total may be made into three-fifths for labor and two-fifths for supplies. The pessimist who should have the audacity to, or who let his lagging mind become possessed of the idea that this wonderful old Cobalt was petering out, will doubtlessly find a revelation in the foregoing official records and in the preparation of which over-enthusiasm and its consequent exaggerations have played no part.

FEWER ELECTRIC SIGNS.

Steps Being Taken in United States For Conservation of Electricity.

The use of coal in the production of electricity for non-essential purposes is curtailed throughout the United States in an order issued by Fuel Administrator Garfield. The order will prevent the lighting of advertising signs and other outdoor electrical display until 7.45 at night. Such signs will be forced to darken at 11 o'clock at night. It is estimated that this order will save 50 per cent. of the fuel now used in maintaining this class of electrical display.

Dr. Garfield is anxious to avoid interference with legitimate business just as far as possible, but he is determined to see that the industries essential to the conduct of the war and the domestic consumers of the country have the coal they need.



The ideals and aspirations of this Company in business have ever been bound up in—

Service
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and
"For CANADA"

The purchase of Victory Bonds is at once the expression and realization of these ideals.

Happy to follow our faith, this Company with its officers has subscribed for $1,000,000 of this Patriotic Privilege, and urges its employees in all Branches—and all those associated with "Dunlop" from the Atlantic to the Pacific—to avail themselves of the Patriotic and Profitable Opportunity which the Victory Loan affords to every Canadian.

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—and the greatest of these is—"FOR CANADA"

WAR FINANCING OF GERMANY IS PAPER EDIFICE

Foundation is Confidence in Success of Her Arms.

NO RESERVE STRENGTH

Whole System May Crumple Up With the Coming of Peace—Peace is Therefore Likely to be More Terrible Than War.

By W. W. TARN,
Fellow of Trinity College, Cambridge.

Professor Jastrow of Berlin, in his book "Geld und Kredit im Kriege," says that the German system of war finance rests on no foundation but confidence in the success of German arms. He is rather proud of the fact, but, at the same time, he admits that, as German credit rests on "Stimmung," (a state of mind,) it might fall with it. Much the same admission was made a year ago by the *Frankfurter Zeitung*, the soundest upon finance of the German papers; "as long as confidence can be maintained," it wrote, "the technique of war finance holds out, especially as paper and the printing press are not only able to produce 'money' for the time, but are an admirable means of producing a brilliant deception regarding the actual impoverishment by artificially producing buying power." It is agreed that, while the war lasts, Germany will continue to find the necessary money so long as the people retain confidence in the Government; that is, war finance, like much else in Germany, will only break down as the consequence of military defeat.

The moment war was declared Germany took to an irredeemable legal-tender paper currency with Germanic thoroughness. The measures of Aug. 4, 1914, annulled the obligation of the Reichsbank to redeem its notes in gold, while leaving them legal tender, made the notes of other banks of issue redeemable in notes of the Reichsbank, made Imperial Treasury notes irredeemable and legal tender, and allowed the Reichsbank to hold notes of the Imperial Loan Banks (Darlehnskassen) as part of its reserve against its own notes. The system was adapted to meet a short and victorious war ending with a great indemnity. The prolongation of the war has had the natural result of an increase of paper beyond all bounds; instead of the statutory one-third reserve to be kept by the Reichsbank against its notes, on July 7 last the gold reserve was £122,844,150, against notes in circulation amounting to £678,800,000, a proportion of 18.09 per cent. only. There are also in circulation £244,000,000 of Treasury and Loan Bank notes. It does not matter while the war lasts, but it will matter exceedingly afterward.

Peace More Terrible Than War.

For, so far as concerns finance and all that it implies, peace to Germany is going to be much more terrible than war. Count Reventlow is quite right in his outcry that, without a huge indemnity, Germany will be ruined, perhaps irretrievably. And the situation grows more desperate with every month that Germany uselessly prolongs the war. The depreciation of the mark is the measure of the world's opinion of Germany's financial position; but, before we consider what this depreciation means, it may be worth indicating briefly what that position is.

Germany has voted her war credits and raised her internal loans with regularity; there is, as the saying goes, "plenty of money" in Germany. The war industries have made large profits, and to some extent the profits are genuine, that is, they represent the labor of the German people. But there is another aspect of the matter. Much of the money poured by these industries into the German war loans represents, not profits, but the depletion of German stocks of material of all kinds. Existing stocks have been sold out or used up, and they must be replaced at enormous prices after peace. Germany is becoming an "empty cupboard." For instance, it was stated at the beginning of the war that Krupps possessed a stock of copper sufficient for all demands for five years. Part of Krupps' "profits" represents merely the using up of that irreplaceable stock of copper. Similarly, repairs and renewals of railways and rolling stock have fallen very much behind. All this will tell at the peace.

The actual total of the war credits already voted is ninety-four milliards of marks, say £4,700,000,000, and Germany is now spending at the rate of 85,000,000 marks a day. The boast of Germans that they have made war cheaply is quite unjustified. According to a recent expert calculation the net war expenditure from Aug. 4, 1914, to Feb. 24, 1917, was about £300,000,000 greater in Germany than in Britain, deducting each country's loans to its allies; and, whereas Britain's loans are good, we should not like to say much about safety of Germany's loans to Turkey. With every month that the war now lasts, says the *Frankfurter Zeitung*, Germany's future yearly burden of taxation for interest on debt is increased by some £7,500,000. The Minister of Finance for Wurttemberg, in a speech on Aug. 1, calculated that the interest on the German war loans, with the expenditure on war pensions, amounted yearly to seven milliards of marks and said it was "extremely difficult to form a picture of the economic effects on the empire which would result from raising this sum, together with the five milliards yearly which were raised before the war." That is to say, he takes the amount Germany now requires to raise annually at £600,000,000 nominal, or about one-third of the total annual taxable income of the country before the war. Other calculations have made it much more, even £800,000,000. But even £600,000,000 is probably a good deal more than one-third to-day; for a German authority has recently calculated that the capital wealth of Germany has decreased 20 per cent., i. e., from 350 to 280 milliards of marks, so that Germany is back to where she was in 1900.

Daily Expenditure Increasing.

We may add that the war is not yet over, and that, during the last year, Germany's daily expenditure has increased out of all proportion to what it was in the first two years of the war. And this is by no means the whole story; an enormous burden has also been thrown on the municipalities, part of which is repayable by the Government, and on the separate States. Germany has made no serious effort to meet the interest on her loans by taxation, as interest has been met in Britain; she has gambled upon a war indemnity. No one supposes that she can possibly raise yearly a good deal more than one-third of her total taxable income, and the question of a capital levy after the war ranging from 25 per cent. even to 50 per cent. has been freely discussed as an alternative to repudiation.

Naturally the state of Germany's finances has been reflected in the foreign exchanges. The depreciation of the mark has made steady progress. At the end of 1915 it stood at about 20 per cent. discount; in December, 1916, at about 30 per cent. discount; the average for June was about 44 per cent., in August it was about 50 per cent., in September it was about 54 per cent.; that is, anything that Germany purchased in, say, Sweden, costs her twice the price of that article in Sweden. It will be noticed that the acceleration in the fall during 1917 has been very great. And the foreign exchange is not the whole of the matter.

There are two forms of depreciation, that abroad and that in purchasing power at home, and, according to the calculation of an American writer, A. C. Whitaker, at the time when the mark stood at 20.7 per cent. discount in terms of American dollars, it had lost 43 per cent. of its purchasing power in Germany. When it stands at 50 per cent. discount abroad, the home depreciation must be gigantic. It is worth noticing that one of the many blessings which Austria owes to Germany is an even worse depreciation of her currency; during June the krone averaged 58 per cent. discount, or 14 per cent. worse than the mark.

The situation is now taken very seriously in Germany. From time to time that country has taken measures to deal with the depreciation, but they have had little effect. In March, 1915, exchange operations were confined to twenty-six private banks, but there were gaps in the legislation; non-commercial transactions, Post Office business, and the transmission of notes abroad remained uncontrolled, and purchase of goods abroad for delivery after the war was not provided against. In December, 1916, steps were taken against this last by limiting remittances abroad by postal cheque or notes to £25; in January, 1917, the importation of goods into Germany without license was prohibited. In February, 1917, a decree consolidated and expanded the existing measures. Control was extended to cover all dealings in foreign currencies, notes, bills, credits, etc., non-commercial transactions were included, and even debts abroad could not be collected without the consent of the Reichsbank. The export of mark currency, the creation of mark credits in favor of residents abroad, and the incurring of indebtedness abroad through purchase of goods, etc., were prohibited without the like consent. The Chancellor was empowered to demand the notification of all holdings of foreign currency, claims against foreign currencies, and mark credits granted to foreign countries, and to order their sale to the Reichsbank.

But the decree did not prevent the mark falling faster than ever. A census of foreign securities held in Germany was taken in September, 1916, and it is understood that a good deal has been done in the way of exporting them; but it has produced no effect either. At last the Government had to resort to the one measure remaining, the export of gold. A little gold had been exported from time to time, but had been made good by collections in Germany; for Germany had never adopted the cheque system, and her people before the war used to hoard gold. For the week ended June 22 there was a decrease in the gold reserve of £3,823,500; and in the first week of July a warning was issued by the Secretary of the Treasury, who stated that the decrease was "not yet alarming," but that more gold would have to be exported, and that he was "led to suppose" that there were still several hundred million marks of gold jewelry and coin in Germany. For the week ended July 23 this reserve again decreased by £2,811,800, bringing it to £120,074,250, (if the German total of the reserve be not exaggerated), a decrease in gold compared with the corresponding period in 1916 of £3,305,750. According to the *Kolnische Zeitung* of Aug. 1 the collection of gold ornaments had produced only 600,000 marks (£30,000) instead of "several hundred millions."

Germany's Vicious Circle.

Peace will bring to a head the financial troubles of Germany. With a currency depreciated 50 per cent.—it will probably be far more if the war lasts another year—she will have to find vast sums of money, while loans abroad will be impossible, or the terms ruinous. Apart from the stupendous interest on her war loans, her debt to her municipalities already reaches hundreds of millions of pounds. Hamburg estimates that £75,000,000 will be needed for shipping subsidies alone; an enormous sum will be required to restart her sugar industry. How she can revive the system of bonuses and subsidies on which her export trade was built up does not quite appear. But the vital question at first will be imports.

That the adverse exchange will compel her to restric. her imports (as she will have to pay at least twice their value) is being emphasized in Germany. But she will have to export all she can, and quickly, for the sake of improving that exchange; "the watchword," said the Wurttemberg Finance Minister, "must be export much and import little." But she must export suitable things, not her cheap bulky coal, for her shipping space will be very limited, if it exists at all, and for neutral tonnage the Allies will overbid her. She is drained dry of many raw materials, and she cannot manufacture properly for export unless she first import raw material, and she must restrict imports, even if, again, the Allies do not outbid her for available stocks. A finer "vicious circle" cannot be imagined—to export she must first import, but to import she must first export.

Buying Victory Bonds is Sound Patriotism and Good Business

THE PURPOSE of Canada's Victory Bond issue, the fourth of Canada's war loans, is two-fold:—

First, to maintain and support the Canadian army;

Second, to enable Great Britain to purchase in Canada those supplies which she must have to carry on the war and to provide food for the civilian population at home.

Canada has in both those purposes an irresistibly impelling interest. Canada's patriotism demands that our soldiers lack nothing in food, clothing, guns or service, to win the war.

And, Canada's own self-interest demands that production shall increase, that commercial activity shall continue, that wages shall be maintained.

What is more—Canada's self-interest in this case is also a patriotic duty—for we must maintain conditions of material well-being in Canada in order to sustain a maximum of war effort.

Great Britain's market offers a sure welcome to the products of Canada's fields, mines, fisheries and factories.

But Great Britain must have credit to buy these products.

So in order to provide the necessary credit the Minister of Finance borrows from the people of Canada, by means of Victory Bonds, the proceeds of which will be used to establish that credit.

You, and each of us— up to the greatest sum in our ability to invest; up to the point where it hurts; must all buy Victory Bonds.

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"Canada's Victory Loan All About It"

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Kindly send me a copy of pamphlet entitled "Canada's Victory Loan — All About It."

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Issued by Canada's Victory Loan Committee
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